Kering - Forests 2022

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods and Jewelry : Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2021, Kering had over 42,000 employees and revenue of €17.6 billion.

The Kering share is listed on Euronext Paris (ISIN: FR 0000121485, Reuters: PRTP.PA, Bloomberg: KER.FP). It is notably listed on the CAC 40 and EURO STOXX 50 indexes.

See more at: http://www.kering.com/

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2021	December 31 2021

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

EUR

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Manufacturing Retailing	<Not Applicable>
Palm oil	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Cattle products	Disclosing	Processing Manufacturing Retailing	<Not Applicable>
Soy	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Rubber	Not disclosing	Manufacturing Retailing	Rubber represents less than 0.5% of Kering's total use of raw materials (by quantity).
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	FR 0000121485

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing
Buying manufactured products
Distributing/packaging
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Paper
Primary packaging
Secondary packaging
Tertiary packaging
Cellulose-based textile fiber

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

China
Germany
Italy
Slovenia
Thailand

% of procurement spend

<1%

Comment

Paper, cardboard and hardwood are mainly used for packaging purpose, primary and secondary packaging (customer facing) as well as tertiary packaging (transport packaging). These materials are also commonly used within stores especially for windows or as visual merchandising. Part of the textiles that are used in collections are derived from cellulose (viscose, modal, cupro, lyocell): in 2021, 388 metric tons were used by Kering (+19% compared to 2020 due to COVID). In 2021, the volume of paper, cardboard and wood used in packaging was of 31,271 metric tons (increasing by 48% compared to 2020, mainly due to COVID). In terms of sourcing, these materials are primarily coming from Italy, China, Thailand. Fibres that are used in cellulose based textiles are mainly coming from China, Germany, Slovenia. Altogether, paper, cardboard, hardwood and cellulose based textiles represent approximately 0,76% of the Group's total procurement spend.

Cattle products

Activity

Using as input into product manufacturing
Retailing/onward sale of commodity or product containing commodity
Tanning for leather

Form of commodity

Hides/leather

Source

Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Brazil
France
Italy
Netherlands
Nigeria
Spain
United Kingdom of Great Britain and Northern Ireland
United States of America

% of procurement spend

51-60%

Comment

Leather is mainly used within the leather goods and shoes business units. In 2021, with more than 37,996 tons sourced, leather represents 44% of the total quantity of raw materials that are used within the Group. In overall, the top countries from which the animals producing the leather used by the group are grazed are: 1. France 2. Italy 3. Netherlands 4. Spain 5. United States 6. United Kingdom. In terms of quantity, these countries represent 60% of the total leather used by the Group (all type of leather together: bovine/ovine/pig/exotic skins...). Considering that Kering Brand's are buying high quality leather, especially due to its Luxury activities, leather is representing 56% of the total Group procurement spend.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	Timber related products used for packaging don't generate specific turnover but cellulose based fibers represent 4.6% of ready to wear (RTW) business unit in volume. RTW account for 15% of total Group revenue in 2021, therefore 15x0.046=0.69% of total Group revenue is dependent on cellulose based fibers
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	41-50%	Leather is the main material used in the Leather goods (LGS) and shoes (SHO) business units. In 2021, LGS was accounting for 50% of total Group revenue and SHO for 21%. Leather represent 64% of LGS and SHO in terms of raw material volume. Therefore in 2021, (50+21)x0.64=45.4% of total Group revenue is dependent on cattle products.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	<Not Applicable>
Cattle products	Consumption data available, disclosing
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity
Timber products

Data type
Consumption data

Commodity production/ consumption volume
31659

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
In 2012, Kering set out basic principles and guidelines on responsible sourcing, known as the Kering Standards. A first in the luxury industry, the Standards were published in 2018 and can be downloaded in English, Italian and French from the Group's website. The Standards set out the criteria imposed on the Group and its suppliers in five key areas: traceability, use of chemicals, social impact, environmental impact and animal welfare, describing the minimum requirements for Group suppliers in each of these five areas, as well as the more demanding requirements that suppliers will have to meet by 2025. They are based on founding notions of integrity (material traceability, chain of custody certification, etc.), circularity (use of recycled materials where possible, consideration of the recyclability of products, etc.) and the precautionary principle (no use of GMOs, no nano-materials, etc.). The Kering Standards cover: • the key raw materials used by the Group, representing more than 95% of purchasing volumes, namely leather and precious skins, fur alternatives, wool, cashmere, cotton, silk, synthetic fibers, paper, wood, plastic, feathers and down, cellulosic fibers, gold, diamonds, colored gemstones and silver; • the Group's main production processes, namely tanning, the various stages of textile manufacture, leather work and shoes; • since 2020: packaging, visual tools and innovation for sustainable production; • since 2021: logistics (warehousing and transportation) and rules for managing products at the end of their lifecycle. The Group's objective of 100% alignment with the Kering Standards by 2025 is reflected by concrete targets for each of its key raw materials, in particular for all materials: • Traceability across the entire value chain • Zero deforestation • Zero supplies from sensitive natural ecosystems • Promotion of regenerative rearing and farming practices • Support for local communities and cultural practices • Use of recycled or regenerated raw materials wherever possible • Observance of the MRSL and PRSL lists: no hazardous or potentially hazardous substances used in the production process or in the finished product

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Forest risk commodity
Cattle products

Data type
Consumption data

Commodity production/ consumption volume
37996

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
In 2012, Kering set out basic principles and guidelines on responsible sourcing, known as the Kering Standards. A first in the luxury industry, the Standards were published in 2018 and can be downloaded in English, Italian and French from the Group's website. The Standards set out the criteria imposed on the Group and its suppliers in five key areas: traceability, use of chemicals, social impact, environmental impact and animal welfare, describing the minimum requirements for Group suppliers in each of these five areas, as well as the more demanding requirements that suppliers will have to meet by 2025. They are based on founding notions of integrity (material traceability, chain of custody certification, etc.), circularity (use of recycled materials where possible, consideration of the recyclability of products, etc.) and the precautionary principle (no use of GMOs, no nano-materials, etc.). The Kering Standards cover: • the key raw materials used by the Group, representing more than 95% of purchasing volumes, namely leather and precious skins, fur alternatives, wool, cashmere, cotton, silk, synthetic fibers, paper, wood, plastic, feathers and down, cellulosic fibers, gold, diamonds, colored gemstones and silver; • the Group's main production processes, namely tanning, the various stages of textile manufacture, leather work and shoes; • since 2020: packaging, visual tools and innovation for sustainable production; • since 2021: logistics (warehousing and transportation) and rules for managing products at the end of their lifecycle. The Group's objective of 100% alignment with the Kering Standards by 2025 is reflected by concrete targets for each of its key raw materials, in particular for all materials: • Traceability across the entire value chain • Zero deforestation • Zero supplies from sensitive natural ecosystems • Promotion of regenerative rearing and farming practices • Support for local communities and cultural practices • Use of recycled or regenerated raw materials wherever possible • Observance of the MRSL and PRSL lists: no hazardous or potentially hazardous substances used in the production process or in the finished product

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F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity
Timber products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
99

Please explain
99% of the paper, cardboard and wood used for packaging and cellulose based fibers used for RTW is sourced from other countries, primarily Italy, China, Germany, Slovenia. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Timber products

Country/Area of origin
Thailand

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Bangkok)

% of total production/consumption volume
1

Please explain
1% of the paper, cardboard and wood a used for packaging and cellulose based fibers used for RTW is sourced from Thailand. The main packaging suppliers are based in the Bangkok region. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Cattle products

Country/Area of origin
Argentina

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Santa Fe)

% of total production/consumption volume
0.6

Please explain
0.6% of total leather used in volume (metric tons) is coming from Argentina in 2021 where Santa Fe is one of the main production state. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Cattle products

Country/Area of origin
Australia

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Western)

% of total production/consumption volume
0.9

Please explain
0.9% of total leather used in volume (metric tons) is coming from Australia in 2021 where the Western region is one of the main production location. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Cattle products

Country/Area of origin
Brazil

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Cerrado)

% of total production/consumption volume
0.2

Please explain
0.2% of total leather used in volume (metric tons) is coming from Brazil in 2021 where the Cerrado region is one of the main production location. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Cattle products

Country/Area of origin
Nigeria

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Katagun)

% of total production/consumption volume
2.5

Please explain
2.5% of total leather used in volume (metric tons) is coming from Nigeria in 2021 where the Katagun region is one of the main production location. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

Forest risk commodity
Cattle products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
95.8

Please explain
95.8% of the leather used by the Group is sourced from other areas, primarily Europe (France, Italy, Netherlands, Spain, UK) but also the USA and New Zealand. This is measured through the Group Environmental impact measurement tool, the EP&L for which raw materials types and quantities and related sourcing information are collected and consolidated on a yearly basis for all business units and product categories.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?
No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity
Cattle products

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
Since a specified cutoff date, please specify year (2015)

Known or estimated deforestation/ conversion footprint (hectares)
56673

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
Since 2012, Kering has measured and quantified its progress toward becoming a more sustainable Group through its EP&L. The Group has committed to reduce its EP&L intensity by 40% by 2025 compared with 2015. The EP&L serves primarily as a decision-making tool providing input to the Group's sustainability projects and guiding the day-to-day choices of decision-makers, with the ultimate goal of reducing the environmental impact of both Kering and its supply chains. Going further than traditional environmental reporting, the EP&L covers six categories of environmental impact: greenhouse gas emissions, air pollution, water pollution, water consumption, waste production and land use. It allows Kering and its Houses to measure their impacts on natural capital throughout their value chains and assign a monetary value to them. Focusing specifically on EP&L landuse impact related to leather, we can see that the total Ha impacted through leather sourcing went from 111,929 Ha in 2015 to 168 602 Ha in 2021 which represents an increase of 56,673 Ha.

Forest risk commodity
Timber products

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
Since a specified cutoff date, please specify year (2015)

Known or estimated deforestation/ conversion footprint (hectares)
5902

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
Since 2012, Kering has measured and quantified its progress toward becoming a more sustainable Group through its EP&L. The Group has committed to reduce its EP&L intensity by 40% by 2025 compared with 2015. The EP&L serves primarily as a decision-making tool providing input to the Group's sustainability projects and guiding the day-to-day choices of decision-makers, with the ultimate goal of reducing the environmental impact of both Kering and its supply chains. Going further than traditional environmental reporting, the EP&L covers six categories of environmental impact: greenhouse gas emissions, air pollution, water pollution, water consumption, waste production and land use. It allows Kering and its Houses to measure their impacts on natural capital throughout their value chains and assign a monetary value to them. Focusing specifically on EP&L landuse impact related to timber (paper, cardboard, wood and cellulosic fibers), we can see that the total Ha impacted through timber related sourcing went from 787 Ha in 2015 to 6,690 Ha in 2021 which represents an increase of 5,902 Ha.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?
Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
National specific tools and databases
Other, please specify (Kering's EP&L, Verisk Maplecroft)

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain

Risk related to timber commodity are assessed across 4 approaches (1,2,3: internal company methods ; 2: national specific tools and databases; 4: external consultant or certifications), together forming a strong, efficient, and varied methodology to assess risks related to timber for both direct operations and supply chain. 1. Kering Risk management framework, setting roles, responsibilities and procedures through a shared risk management policy and IT system. Forests risks are covered under 'Raw materials scarcity, quality and biodiversity' and 'Climate change, other natural or man-made risks' of the framework. This framework ensures the consistent integration of environmental and forest risks across our operations. 2. EP&L, used to assess impacts and reliance on natural resources and to attribute a monetary value to Group's environmental impacts throughout its supply chain. EP&L allows for effective and detailed understanding of key risks drivers behind the use of raw materials with respect to their geographical origin and process type. The environmental footprint is measured across 6 indicators among which land use & forest aspects. 3. Kering Standards: They allow Kering's sustainability experts to define and implement the relevant sustainable standards and support brands in the identification of and shift towards more sustainable alternate materials, including forest-sourced. For cellulose-based fabrics, the supplier has to evaluate its supply chain vis-à-vis the CanopyStyle methodology. 4. An external Global risk analytics provider, Verisk Maplecroft, covering over 200 issues for 198 countries including deforestation risks. It provided risk-based hotspot maps for strategic raw materials on the current and future (2036-2060) climate and forest risks. 5. CanopyStyle methodology and/or FSC certification are used to ensure our viscose & other wood-pulp based materials come from supply chains that avoid sourcing from ancient and endangered forests. As an example the proportion of certified (PEFC or FSC) paper reached 80% across the Group in 2021. The most significant issues for Kering is the "Impact of activity on the status of ecosystems and habitats". Trough the EP&L and the land Use indicator, Kering can assess the impact its activities have on ecosystems and habitats and monitor the are and the action to realize where the impact needs to be limited.

Cattle products

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
> 6 years

Tools and methods used
Internal company methods
External consultants
National specific tools and databases
Other, please specify (Kering's EP&L)

Issues considered
Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered
Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain
Risk related to cattle commodity are assessed across 4 approaches (1,2,3: internal company methods ; 3: national specific tools and 4:databases). Internal methods have been chosen because together with national specific tools and databases, they form a robust methodology to assess cattle-related risks for both direct operations and supply chain.. 1. Kering Risk management framework (organization with roles, responsibilities and procedures; risk management policy setting, shared IT system) through 'Raw materials scarcity, quality and biodiversity' and 'Climate change, other natural or man-made risks' 2. Internal sourcing risk assessment framework (environmental, social and animal welfare risks on all the supply chain - including cattle-related forests risks) performed every year by our team of specialists with 3 levels of risks (low, medium, high) for each sourcing country. The internal assessments guide Houses in their supply decision and an action plan is built yearly for each House. 3. EP&L assesses impacts and reliance on natural resources (including forest resources) and attributes monetary value to the Group's environmental impacts throughout its supply chain. Through scenario simulation, EP&L understands key risks drivers behind the use of raw materials with respect to their geographical origin and process type. Specifically regarding forests, EP&L measures and compares the impact of land use (including deforestation) of sourcing countries. Leather from France, Italy and Netherlands has a much lower impact than leather from Brazil: as such, Kering favours leather from these countries (FR, IT, and NL represent 37% of Kering's leather in 2021). 4. Kering Standards: this risk analysis grid based on the 5 key principles of the Standards (traceability, social welfare, environment, animal welfare and chemical use) allows Kering's sustainability experts to define relevant sustainable standards and more sustainable alternate materials. Kering recommends sourcing bovine leather from EU countries, USA or New Zealand. Illustrating the Kering Standards' successful application, in 2021, 68% of Kering's leather was aligned. Kering started to analyse the forest risk linked to soy production (used as cattle feed), in order to improve Kering's risk assessment & quantify the deforestation impact of feeding cattle in the Group's supply chain.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity
Timber products

Scope of value chain mapping
Own operations
Tier 1 suppliers
Tier 2 suppliers
Tier 3 suppliers
Tier 4+ suppliers
Customers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
Since 2012, Kering has measured and quantified its progress toward becoming a more sustainable Group through its EP&L. The EP&L serves primarily as a decision-making tool providing input to the Group's sustainability projects and guiding the day-to-day choices of decision-makers, with the ultimate goal of reducing the environmental impact of both Kering and its supply chains. Going further than traditional environmental reporting, the EP&L covers six categories of environmental impact: greenhouse gas emissions, air pollution, water pollution, water consumption, waste production and land use. Through its EP&L, Kering is mapping its entire value chain for each of the processes and materials used within its production across own operations, upstream supply chain (T1,2,3,4) and downstream (use of products and end of life).

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity
Cattle products

Scope of value chain mapping
Own operations
Tier 1 suppliers
Tier 2 suppliers
Tier 3 suppliers
Tier 4+ suppliers
Customers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
Since 2012, Kering has measured and quantified its progress toward becoming a more sustainable Group through its EP&L. The EP&L serves primarily as a decision-making tool providing input to the Group's sustainability projects and guiding the day-to-day choices of decision-makers, with the ultimate goal of reducing the environmental impact of both Kering and its supply chains. Going further than traditional environmental reporting, the EP&L covers six categories of environmental impact: greenhouse gas emissions, air pollution, water pollution, water consumption, waste production and land use. Through its EP&L, Kering is mapping its entire value chain for each of the processes and materials used within its production across own operations, upstream supply chain (T1,2,3,4) and downstream (use of products and end of life).

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

(i) Definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks

The risks identified by the Group have been ranked according to their level of criticality, on a scale ranging from 1 (very critical) to 4 (less critical), which is based on the probability of their occurrence and the magnitude of their impacts.

Impacts are classified according to 4 levels : high, significant, medium and low. Probability of occurrence is classified in 4 categories : unlikely, rather likely, likely, very likely. See p291 of the 2021 URD https://www.kering.com/assets/front/documents/Kering_2021_Universal_Registration_Document.pdf

Financial impacts, as defined in the risk management system presented are impacts on the Group's financial results and/or likely to result in a cash outflow. Strategic impacts, are impacts on the ability of the Group and it Houses to implement their strategy.

Climate change is identified in Kering's Group risk map as one of the 14 main risk factors (level of criticality 2). Climate change could affect Kering's supply chain : the growing frequency of extreme weather events (drought, flooding, etc.) could have a direct impact on the availability and quality of key raw materials such as leather, cotton, cashmere and silk, which would translate into greater price volatility, and thus affect the production and distribution of finished products. Potential related impacts identified include substantive financial and strategic impacts. Indeed, raw materials suppliers identified as key to the Group represent roughly 20% of all raw materials suppliers, corresponding to approximately 80% of purchases.

Kering considers that extreme meteorological events can have negative impacts on agricultural production such as reduced harvest, in turn generating commodity price volatility or putting production at risk. The reduction of resource availability may potentially strongly increase operational costs of Kering businesses as they heavily rely on agricultural raw materials e.g. leather, cotton, silk or precious skins. Physical changes of water availability could also impact available arable land and crops such as cotton or silk might become exhausted. This may similarly impact availability and cost of these natural resources on a long term.

In addition to financial considerations, Kering also monitors strategic impacts through its EP&L (environmental profit & loss) accounting which measures its environmental impacts – including climate – across its various supply chains. The EP&L is used as a group-level strategic management tool for sourcing decisions, in terms of sourcing strategy and choice of materials (location, production processes, etc.). The EP&L provides a Euro EP&L impact value that serves as a common financial language across Kering's operations and supply chain and provides a comparable value point between types of raw materials, manufacturing processes and locations.

(ii) description of the quantifiable indicator(s) used to define substantive financial or strategic impact

The financial indicator that is used to define substantive impact is the EBIT (Recurring operating income). A financial or strategic impact is considered to be substantive when it has an impact on at least 1% of the EBIT (50,17 M€ based on 2021 recurring operating income).

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity
Cattle products

Type of risk
Chronic physical

Geographical scale
Country

Where in your value chain does the risk driver occur?
Supply chain

Primary risk driver
Increased severity of extreme weather events

Primary potential impact
Increased operating costs

Company-specific description
Leather, especially bovine leather (calf/cow) is a key component of the market and a key raw material for Luxury Groups. The chronic physical risk of the impact of heat stress on cow/calf leather can have direct impact on leather hides availability, quality and therefore cost, representing potentially substantive financial impact on Kering business. Leather-based products are indeed representing approximately 71% of Kering's total revenue (Leather Goods and Shoes business units). Leather was identified as a raw material which is particularly vulnerable to climate change, based on the expertise of Kering's sourcing and environmental specialists with the support of specialised consultants. Key sourcing regions for Kering include Europe, which represents more than 60% of volumes, South America, the United States and Australia. These countries are already being impacted by climate change, as exemplified by the increase of the Temperature Humidity Index load anomaly, a key metric in cattle rearing, which measures the heat stress on cattle. According to a third party analysis, this THI could reach high levels under RCP8.5 scenario by 2035. According to this analysis, a 3x relative increase in heat stress was estimated by 2035, leading to an estimated 3% decrease in cow/calf hide availability based on peer-reviewed academic research. This would in turn impact market-price of leather hides, and could potentially increase Kering's leather procurement costs.

Timeframe
>6 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)
3100000

Potential financial impact figure - maximum (currency)
4200000

Explanation of financial
A TCFD-aligned study was conducted by Kering with a specialized external and independent consultancy, to provide an initial estimate of the potential annual financial impact on Kering's EBITDA of heat stress on cow/calf leather availability by 2035. The financial range has been determined based on the following scenarios: -Low range: limited heat stress (+1,5°C – RCP 4.5) -High range: increased heat stress (+4°C – RCP 8.5) Assessment and approach: 1) Focus on strategic sourcing regions : 80% of cow/calf leather volume sourced by Kering was collected, as well as the location of abattoir 2) Study the increase in heat and water stress on Kering supply chain based on UN IPCC and WRI data. This analysis showed an up to 3 time relative increase in heat stress (THI load) by 2035 in the most impacted regions (RCP8.5 scenario) 3) Analyze the impact on cow/calf hide availability: third-party modeling based on peer-reviewed academic research, to analyze of the impact of heat stress on mortality and calving. This analysis showed an up to 3% estimated decrease in cow/calf hide availability by 2035 in the most extreme scenario (RCP8.5 scenario). 4) Estimate the financial impact of reduced hide availability: third-party modeling based on historical market and planned evolution of the market on leather price and production volume from the FAO, and projected use of Kering cow/calf leather resulted in the estimation of the financial impacts of forecasted reduction in leather availability.

Primary response to risk
Avoidance of sourcing from high-deforestation risk jurisdictions

Description of response
Kering put in place a team of specialists on raw material sourcing, who work towards the implementation of Kering Standards for leather and to reinforce supplier-relationship management, as illustrated by the Vendor Rating System developed in 2020. Kering implemented a platform for all suppliers (Vendor Rating System) to continuously assess the implementation of the Kering Standards through a dedicated questionnaire, which focuses on environmental governance and targets of each supplier including leather suppliers, in view of achieving the target of 100% adherence to Kering standards for leather by 2025. Minimum requirements for leather suppliers include promoting the ecological sustainability of livestock production methods and avoiding the degradation and destruction of natural ecosystems. These actions support suppliers to improve their resilience against heat stress, by developing regenerative agricultural practices which improve the recharging of water systems and contribute to slowing desertification, in line with Kering's 2025 biodiversity strategy.

Cost of response
1300000

Explanation of cost of response
The annual budget of Kering sustainability department is 10€M allocated between projects relating to the management and mitigation of identified risks and opportunities according to their level of importance and prioritization by the Group, in line with the materiality matrix, which determines the number of projects implemented. Thus, the cost of response to "Impact of heat stress on leather availability" is estimated around 1,3€M, for sustainable sourcing projects. Cattle rearing being part of the upstream supply chain, and not directly operated by Kering, the cost of response notably covers capital expenditures as well as operational expenditures such as the management costs pertaining to the wages of Kering's raw material sourcing specialists in charge of leather sourcing and roll-out of the Vendor Rating System.

Forest risk commodity
Timber products

Type of risk
Regulatory

Geographical scale
Country

Where in your value chain does the risk driver occur?
Direct operation

Primary risk driver
Regulatory uncertainty

Primary potential impact
Increased operating costs

Company-specific description
The transition risk of a strengthening of carbon pricing policy might have financial impacts on Kering, which is a French company and operates in a context of a strengthening carbon market and potential new carbon taxation, especially in Europe (ambitious Green Deal Policy). Kering conducted an analysis to map current and future carbon pricing mechanisms. The study found that 80% of Kering's emissions occur in regions with carbon pricing mechanisms. These carbon pricing mechanisms would mostly impact the following categories: - transportation - energy - packaging and metals Regarding packaging, which is mainly using timber-related materials, Kering analysed the impact of potential carbon pricing mechanisms on its packaging, including paper and cardboard, which represent the bulk of Kering's packaging volumes in 2021 (84%). The packaging carbon tax is defined by looking at countries and volumes. There is a low and high scenario for the tax. This tax is applied on the logistic packaging.

Timeframe
>6 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

A TCFD-aligned study was conducted by Kering with a specialised external and independent consultancy, to provide an initial estimate of the potential annual financial impact on Kering's EBITDA of carbon pricing by 2035. The financial range has been determined based on the following scenarios : -Low range : limited carbon price in a no mitigation scenario (+4°C – RCP 8.5), in which only current and announced carbon price mechanisms are implemented, and prices stagnate approximately at 30€/tCO2 in average by 2030 -High range : high carbon price in a Paris ambition scenario (+1,5°C – RCP 4.5), in which high carbon price supports the transition towards a low carbon economy, and prices reach an average of 75 €/tC02 in average by 2030 in OECD countries The assessment and approach are detailed below : 1) Focus on Kering's packaging related GHGs emissions. 2) Review of current and forecasted carbon pricing mechanisms based on Worldbank/ Caisse Des Depots database for current prices and United-Nations IPCC modelling for future prices. 3) Analysis of the impact on direct emissions, logistics and packaging production costs : estimation of Kering future GHG emissions as well as the percentage emission covered by carbon pricing mechanisms based on expert survey. 4) Analysis of the net impact on Kering's purchase of good and services : estimation of the ability of suppliers to transfer the increase in carbon price to Kering based on expert's survey.

Primary response to risk
Increased use of sustainably sourced materials

Description of response
In 2012, Kering set out basic principles and guidelines on responsible sourcing, known as the Kering Standards. A first in the luxury industry, the Standards were published in 2018 and can be downloaded in English, Italian and French from the Group's website. The Standards set out the criteria imposed on the Group and its suppliers in five key areas: traceability, use of chemicals, social impact, environmental impact and animal welfare, describing the minimum requirements for Group suppliers in each of these five areas, as well as the more demanding requirements that suppliers will have to meet by 2025. They are based on founding notions of integrity (material traceability, chain of custody certification, etc.), circularity (use of recycled materials where possible, consideration of the recyclability of products, etc.) and the precautionary principle (no use of GMOs, no nano-materials, etc.). For all raw materials this means by 2025: •Traceability across the entire value chain • Zero deforestation • Zero supplies from sensitive natural ecosystems And more specifically for paper and cardboard: use of 100% recycled or FSC-certified paper or wood

Cost of response
2500000

Explanation of cost of response
The annual budget of Kering sustainability department is 10€M, allocated between the various projects relating to the management and mitigation of identified risks and opportunities according to their level of importance and prioritization by the Group in line with the materiality matrix, which determines the number of projects implemented. Hence, the cost of response to the risk "Increase in direct costs associated with carbon pricing" is estimated around 2,5€M. This notably covers capital expenditures as well as operational expenditures such as management costs pertaining to the wages of Kering's experts working on carbon, energy, transport and packaging in support of logistics center of excellence (transport & packaging procurement cost).

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity
Timber products

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Other parts of the value chain

Primary forests-related opportunity
Improved community relations

Company-specific description & strategy to realize opportunity
Carbon-offsetting through REDD+ projects is an major opportunity for Kering for directly contributing to climate mitigation and reforestation, and having a direct impact to the upper and most distant part of the forest commodity value chain, both on ecosystems and people. Due to the visibility of carbon offsetting programs towards a large amount of stakeholders, such as NGOs or customers, this opportunity is a major way of building on a positive reputation of sustainability leader, but also a substantive channel of communication to raise awareness to a wide audience about deforestation issues and climate change on a yearly basis. As part of its Net Zero commitment, Kering has been supporting offsetting programs since 2012 via REDD+ projects. The carbon offsetting (in 2021 in respect of 2020 CO2 emissions) of all of the Group's activities (Scopes 1 and 2 and part of Scope 3) and its supply chain (Scope 3), representing a total of 1,779,888 TCO2 via REDD+ certified projects, protects and restores sensitive ecosystems (forests, wetlands, coastal areas) as well as supporting green energy generation projects. In addition, Kering is continuing to diversity its carbon offsetting approach to include other natural climate solutions, such as regenerative farming practices that enhance carbon sequestration and mangrove restoration. Since 2020, Kering has also invested in Low Carbon Label projects, in partnership with IDELE (Institut de l'Élevage), which support French cattle breeders in developing more carbon efficient practices.

Estimated timeframe for realization
>6 years

Magnitude of potential impact

Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In order to estimate the financial impact for each of the opportunities identified for CDP and broader TCFD requirements, Kering has initiated a process to perform a comprehensive exercise. This work in progress will be refined in the future, as part of a continuous improvement process and following methodological improvement, in line with most recent developments and industry best practice and guidance.

Forest risk commodity
Timber products

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Direct operation
Supply chain

Primary forests-related opportunity
Increased demand for certified materials

Company-specific description & strategy to realize opportunity
Cellulose based fabrics are widely used across the clothing sector. In 2021, viscose accounted for approximately 5% of ready-to-wear raw materials, and in total less than 1% of the Group's raw material purchases, obtained primarily from suppliers Enka, Lenzing, Eastman, Aditya Birla and Jilin. As cellulosic fibers such as viscose are attracting growing attention, in so far as they are made from wood pulp and as such carry significant risks in terms of deforestation, Kering saw an opportunity to lead an industry wide collaborative work promoting sustainable viscose with a commitment from one of its brands to ensure that all of its cellulose fabric meet strict sustainability standards. This is also an opportunity to demonstrate Kering's leadership on sustainably managing this forest risk commodity. This could also positively impact Brand reputation hence creating an increased customers demand for Kering products. Through its smart sourcing strategy, Kering is implementing policies and guidelines covering key raw materials including leather, paper, cardboard, cellulose-based fibres. At project level, Kering is working with smallholders and NGOs such as Canopy (an environmental NGO dedicated to the protection of forests) to implement new sustainable sourcing for its key raw materials which is giving the Group a strategic advantage in securing sustainably the supply with the level of quality required while reducing the risks on price volatility. In 2018, the Kering Standards saw the addition of standards dedicated to viscose and cellulosic fibers derived from wood pulp. In 2021, 65% of cellulosic fibers used by the Group were sourced from approved suppliers (FSC or Canopy). The objective is to reach 100% by 2025.

Estimated timeframe for realization
>6 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In order to estimate the financial impact for each of the opportunities identified for CDP and broader TCFD requirements, Kering has initiated a process to perform a comprehensive exercise. This work in progress will be refined in the future, as part of a continuous improvement process and following methodological improvement, in line with most recent developments and industry best practice and guidance.

Forest risk commodity
Cattle products

Type of opportunity
Products & services

Where in your value chain does the opportunity occur?
Direct operation
Supply chain

Primary forests-related opportunity
Increased supply chain transparency

Company-specific description & strategy to realize opportunity

Kering commits to ensure traceability of key raw materials reaches 100% by 2025. Indeed, traceability is one of the crucial challenges to overcome in fashion's complex global supply chains. The routine practice of indirect sourcing is a big culprit as complex supply chains often stem from traditional business model set-ups, making it difficult to follow the traceability to verify best practices in the supply chain. 100% traceability is the Group's end-goal to ensure Kering's high standards around environmental protection, social welfare, chemical use and animal welfare are adhered to. The percentage of alignment with the Kering Standards, and the percentage of traceability is reviewed annually, as part of the 2025 Sustainability Strategy. Verifiable sourcing being a key element of responsible sourcing, the achievement of our traceability target works towards continually improving our responsible sourcing and completing our Sustainable Strategy goals. A specific working group (Idea Lab) on leather, involving most of Kering's brands, has met regularly over the last five years to identify solutions for reducing the environmental impact of the production of leather and share best practices (husbandry, traceability, tanning without heavy metals, recycling of offcuts, etc.). In terms of traceability, 2019 saw Kering continue its work on the investigation and traceability of skins. Purchases in 2019 showed that 96% of skins are traceable back to the slaughterhouse and several Houses have already begun to go further back in their supply chains. For example, the high volume iconic products in Bottega Veneta's Cabat range are made entirely from nappa leather traceable and certified by ICEC. In addition, Alexander McQueen has pioneered the use of an innovative forensic technology with traceability expert Oritain in a pilot project to verify the provenance of leather and to trace the leather through the supply chain. Kering also aims to encourage and promote the emergence of more responsible practices in the industry, particularly through the development of certification for leather. In 2019, Kering has participated in the work of Textile Exchange on a new Sustainable Leather certification. For two years, the Group has worked closely with its tanneries, as well as its Houses and their suppliers, to promote the use of leather tanned without metals.

Estimated timeframe for realization
>6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In order to estimate the financial impact for each of the opportunities identified for CDP and broader TCFD requirements, Kering has initiated a process to perform a comprehensive exercise. This work in progress will be refined in the future, as part of a continuous improvement process and following methodological improvement, in line with most recent developments and industry best practice and guidance.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?
Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board Chair	Kering's Chairman of the Board and CEO is a member of the Sustainability Committee (created in 2012) and oversees forest-related strategy. He is responsible for aligning the Group's strategy with the sustainability strategy that includes forest-related targets. The Sustainability Committee comprises four Directors including its Chair and Kering's Managing director. 30% of Kering's Chairman and CEO's variable remuneration is incentivized over non-financial criteria, of which 10% dedicated to Sustainability. In 2021 the Sustainability target was the operational implementation of the 2025 Sustainability strategy, which includes forest-related goals such as 100% leather, paper and cellulosic fibers traceability by 2025. In 2021, the CEO pursued the ambition of making the Group carbon-neutral in its operations and supply chain, notably by leveraging on REDD+ projects that help protect critical forests and safeguard biodiversity., e.g. restoring mangrove forests and other wetlands.
Director on board	On top of Kering's Chairman and CEO, the board-level Sustainability Committee that oversees forest-related strategy and issues comprises 5 other Directors including its Chair and Kering's managing director. All 5 share extensive CSR experience. The Sustainability committee's chair has served as Senior Vice-President, Health and Safety at LafargeHolcim. Both Kering's Chairman and CEO, and managing director's variable remunerations are incentivized over non-financial criteria, of which 10% dedicated to Sustainability. In 2021 their target consisted in operational implementation of 2025 Sustainability strategy which includes forest-related goals such as 100% leather, paper and cellulosic fibers traceability by 2025. In addition, Kering's Chief Sustainability Officer is directly responsible for the forest-related strategy. She has been appointed by Kering's Chairman of the Board and CEO, in September 2012. The CSO reports directly to Group's CEO and is a member of the Executive Committee.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	Settled in 2012 at board level, the Sustainability Committee helps the Board align the Group's strategy with global sustainability strategy through clear commitments, policies and programs. This Committee oversees sustainability strategy and issues at group level, including forest-related strategy. It is assisted by Kering Chief Sustainability Officer, who is directly responsible for the forest strategy as part of overall sustainability strategy. In 2017, Kering released its 2025 sustainability strategy including forest strategy, targets and goals towards 2025. This strategy is aligned with SDG15 and describes Kering's forest-related commitments through promotion of sustainable design based on the EP&L methodology and the Kering Standards. Kering committed to further address the environmental impacts along its supply chain by reducing the Group's EP&L by 40%. This includes land use impact. Kering also committed that 100% of raw materials be Kering Standards compliant by 2025, which implies 100% fulfilment of enclosed forest-related guidelines on timber products in Kering's direct operations and supply chain. The Sustainability Committee met once in 2021 and reviewed the sustainability projects implemented in 2021 and discussed the Group's policies and performance in the areas of climate, biodiversity, animal welfare and the circular economy.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Upon joining the Board, new Directors may receive training tailored to their specific needs within the Board, should they deem it necessary (including ESG and forest related issues). Meetings are organized with the Lead Independent Director, the Group Managing Director and with the Group's executives to give them an insight into the Group and into each of its businesses. Following the internal assessment of the Board's operating rules conducted in 2020 by the Lead Independent Director, another external assessment was entrusted in 2021 to management and recruitment firm Egon Zehnder, which specializes in this area. The assessment consisted of a questionnaire and individual meetings with each Director. In addition to an assessment of the individual contribution made by each Director, the assessment also covered the following points: • the membership and role of the Board of Directors; • induction arrangements for new Directors; • the contribution by the Board to the Group's strategy; • the role of the Board on ESG issues, including forest related issues. This assessment revealed a very positive view of the Board's operating rules, with freedom of self-expression, the driving force provided by the Chairman of the Board and the Group Managing Director, and the in-depth analysis of issues were identified as strengths. At the initiative of the Chairman and Chief Executive Officer, the Board of Directors is very mindful of ESG issues and has incorporated them in its enterprise performance metrics. The quality of the work performed by the four Committees was also unanimously applauded.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Half-yearly	Kering's Chief Sustainability Officer is a member of the executive committee and directly reports to Kering's chairman and CEO, who appointed her in 2012. She has direct responsibility for the definition and monitoring of the Group's Sustainability strategy, including forest strategy. As such she takes part in CAPEX decisions such as brand acquisition. She has direct managerial responsibility for a group-level team of 20+ sustainability experts in charge of sustainability operational management across the group and its supply chain, on all sustainability matters including forest ones, and who assist the brands with implementing the Group's sustainability strategy with a focus on potential synergies and continuous improvement. Kering's CSO has direct operational and reporting responsibility for the 2025 sustainability strategy. This includes specific forest management progress (land use impact reduction commitments as part of the -40% EPL target by 2025, 100% raw materials compliance to the Kering Standards by 2025 including for leather, paper, wood and cellulosic fibers, development of sustainable raw material sourcing solutions, offsetting of Scope 1,2,3 GHG emissions through reforestation REDD+ projects and the roll-out of corresponding programs. She reports strategy progress, including on forest matters, to the board-level Sustainability Committee held twice a year. In 2021 this reporting also included sustainable sourcing issues.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Board chair Board/Executive board	Achievement of commitments and targets	Variable remuneration is designed to align the reward accruing to executive corporate officers with the Group's annual financial performance and its strategic long-term environmental, social and governance (ESG) objectives. It is stated as a percentage of annual fixed remuneration. In 2021 one of the objective was to achive a reduction in Kering's environmental impact, in line with the strategy for 2025 (-40%). This includes land use impacts objective, which is one of the 6 key indicators of the EPL. Kering also committed that 100% of raw materials to be Kering Standards compliant by 2025, which implies 100% fulfilment of enclosed forest-related guidelines on leather, paper & wood, and cellulosic fabrics in Kering's direct operations and supply chain. The sustainability strategy target was achieved at 100% in 2021, which means the 10% variable remuneration dedicated to Sustainability is granted.
Non-monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets	Achieving Kering's sustainability commitments and targets allows for internal and external recognition (such as Kering's DJSI leadership position or CDP's A List membership in 2021) which acts as a reinforcement of Kering's sustainability leadership and provides additional internal and external levers to federate Kering's stakeholders around the necessary changes of Kering's own practices but also of the whole sector towards more sustainable business approaches. Indeed being recognized as a sustainability leader in the sector allows, for instance, for convincing other leading actors of the sector to engage cross-sectorial actions needed to move the whole sector together (for instance on sourcing of specific raw materials where one single actor of the supply chain will not be able alone to shift the supply chain towards better practices). This is the case for the capacity building of sustainable viscose sourcing initiated in 2016 in partnership with C&A and Canopy NGO.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

Kering_2021_Universal_Registration_Document.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)	Kering's forest policy is embedded in its 2020 biodiversity strategy, its 2025 sustainability strategy, its Kering standards, the Kering Sustainability Principles and its environmental policy. Those are reviewed annually. They include goals and performance standards for the Group, for both operations and supply chain, beyond regulatory compliance. Kering sustainability strategy is aligned with SDG15 (life on land) and describes Kering's forest-related commitments through promotion of sustainable design based on EP&L methodology, Kering standards open-sourcing and sustainable innovation. Kering is committed to a 40% EP&L reduction by 2025 (including land use as one of the 6 key indicators), to cover 100% of its suppliers with Kering standards by 2025, to develop new and sustainable solutions for sourcing raw materials, and to improve community livelihoods where raw materials are sourced. Kering offsett in 2019 and 2020 its residual Scope 1 and 2 GHG emissions through reforestation REDD+ projects. Kering's 2020 biodiversity strategy include targets of : "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value" and "by 2025, regenerate one million hectares of farms and rangelands in our supply chain landscapes". The Kering standards, industry-leading sustainability standards for manufacturing processes and raw materials, describe Kering's forest dependency, business impact on forest and linkage to climate change, and contain forest management guidelines for our suppliers for raw materials specifically impacting forest such as: - ensuring leather does not come from farms involved in any form of deforestation in the Amazon biome, - for paper/wood, ensuring Kering sourcing does not support degradation or destruction of forest ecosystems, recommending use of FSC certification, and reducing pressure on forest ecosystems by using recycled paper where possible, - and for cellulosic fabrics, aligning its standards with the work from Canopy NGO. Regarding innovation, Kering's policy includes the development of alternate raw materials through its partnership with the Plug & Play-Fashion for Good accelerator, supporting startups like Amadou Leather, a leather alternative made from mushroom material, both aiming at reducing pressure on forest ecosystems.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitments beyond regulatory compliance Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	Kering's timber policy is embedded in its 2020 biodiversity strategy, 2025 sustainability strategy, and its Kering standards, reviewed annually. They include goals and performance standards for operations and supply chain. The 2025 sustainability strategy goals and those associated with the timber policy (eg. ensure 100% traceability of raw materials) are reviewed annually to assess the Group's progress towards its 2025 goals. Kering presented its 2020 Progress Report on its Sustainability Strategy, including the Care pillar which includes all environmental concerns. In the case where Kering would not be on a track to all its 2025 objectives, mitigating actions would be put in place. Kering's 2020 biodiversity strategy include targets: "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value" and "by 2025, regenerate one million hectares of farms and rangelands in our supply chain landscapes". Specific Kering Standards on paper and wood-based products are grounded on a commitment to sourcing from sustainably-managed forests and to reducing our need for forest-based resource through increasing the the use of recycled paper and packaging. This applies to both paper as a raw material for production as well as finished paper products such as office paper, shoeboxes, shopping bags, etc. Its core principles are: Complying with all applicable laws, conventions and regulations ; Reducing pressure on forest ecosystems by using recycled paper where possible;Preferring virgin wood products that are from certified sustainably managed forests;Ensuring no forced labor in making forestry products;Complying with Kering chemical management policies to control dangerous substances. The specific Kering Standards on cellulosic fabrics are Canopy's key principles which are: Complying with all applicable laws, conventions and regulations; Eliminating controversial supply chains that may negatively impact forest resources or endangered species habitats; Ensuring that the processes used during fiber production do not have negative impacts on the environment or on the health of factory workers; Ensuring no forced labor in cellulosic fibers supply chains; Relying on third-party methodologies to select the best managed forest resources; Exploring alternate raw materials (i.e. recycled content, agricultural residues)
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Cattle products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitments beyond regulatory compliance Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	Kering's cattle policy is embedded in its 2020 biodiversity strategy, 2025 sustainability strategy and its Kering standards. They include goals and performance standards for both operations and supply chain. The 2025 sustainability strategy goals and thus those associated with the cattle policy (eg. ensure 100% traceability of raw materials), are reviewed annually to assess the Group's progress towards its 2025 goals. In the case where Kering would not be on a track to all its 2025 objectives, mitigating actions would be put in place. Kering's 2020 biodiversity strategy include targets of : "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value" and "by 2025, regenerate one million hectares of farms and rangelands in our supply chain landscapes". Specific Kering Standards on leather provide requirements to suppliers aiming at reducing pressure on forest ecosystems due to cattle breeding. The requirements focus on livestock production for bovine leather and ovine leather and shearling and are relevant up until the slaughter of the animals. Additional Standards are available for the processing of hides and tanning of leather. The key principles for sustainable and responsible sourcing of hides for leather include: Complying with all applicable laws, conventions and regulations; Avoiding the degradation and destruction of natural ecosystems; Ensuring the highest standards of animal welfare; Guaranteeing the ethical treatment of people working in the supply chain; Promoting the ecological sustainability of livestock production methods. Minimum requirement include ensuring leather does not come from farms involved in any form of deforestation in the Amazon biome. Kering brands will not work with suppliers that source leather from farms involved in any form of deforestation in the Amazon biome since July 2006, or farms included in IBAMA's embargo list. Leather suppliers must: (1) investigate with their sub-suppliers as to where the hides come from, (2) actively check in detail for the sources of leather coming from South America and (3) terminate relations with any sub-supplier that is not compliant on these points. The above decisions and minimum requirement were carefully developed and calculated in line with the 2025 Sustainability Goals to limit the EP&L impact by 40% compared with 2015.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Fashion Pact

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems

Zero gross deforestation/ no deforestation

Zero net deforestation

No new development on peat regardless of depth

Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No trade of CITES listed species
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Promotion of gender equality and women's empowerment
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
Build community capacity and incentivize engagement in multi-stakeholder processes
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2013

Commitment target date
2021-25

Please explain
Kering is committed to ensure traceability of key raw materials reaches 100% by 2025. In 2020, the Group had achieved 91% traceability. Further, Kering publicly committed to create a Supplier Index of Sustainability to ensure Kering Standards for key raw materials and processes are 100% implemented by suppliers by 2025. The Kering Standards include specific requirement by raw materials and process and are covering both Group operations and supply chain. In summary, the key principles that underpin the Standards for sustainable and responsible sourcing Paper and Wood are: • Complying with all applicable laws, conventions and regulations • Reducing pressure on forest ecosystems by using recycled paper where possible • Preferring virgin wood products that are from certified sustainably managed forests • Ensuring no forced labor in making forestry products • Complying with Kering chemical management policies to control dangerous substances. Kering's 2020 biodiversity strategy include a target of : "by 2025, regenerate one million hectares of farms and rangelands in our supply chain landscapes, prioritizing interventions that offer both biodiversity and carbon benefits" thereby adressing "restoration and compensation to address past deforestation and/or conversion". This represents about 3 times Kering's total land footprint. Restoration and compensation to address past deforestation and/or conversion: In an effort to increase efficiency that reduces pressure on the already degraded areas of the Gobi region, in 2015, Kering and the Wildlife Conservation Society, an international NGO, launched the Gobi Desert Cashmere program in the Gobi region of southern Mongolia to promote sustainable and traditional production of high-quality cashmere. In 2020, Kering joined the new Market Sector Advisory Group formed at the initiative of the United Nations Development Program (UNDP), which works with other stakeholders in Mongolia to promote harmonization and facilitate collaboration between various existing programs there to support the emergence of a sustainable supply chain. Zero gross deforestation: According to the Fashion Pact, of which Kering is a founder, there is a 2025 target: "Support zero deforestation and sustainable forest management". Existing efforts in this area include alternative materials usage, new supply chain methods, and public-private conservation partnerships. For example, Kering is working in French Guiana with conservation partners Solicaz and Forest Finance to reforest a former alluvial gold mining site. With goals of 100% restoration (beyond the regulatory minimum of 30%), it is the first full reforestation programme of a mining site in the Amazon. Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities: According to Kering Standards (p.68), "Kering requests that its suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. Kering requests that its suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process." As a minimum requirement of the Kering Standards, this requirement has to be valid at the signature of the contract with the supplier. No conversion of natural habitats: According to its biodiversity Strategy (p.11), Kering is committed by 2025, to eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value (using scientifically recognized reference systems), with attention to forested areas, grasslands, wetlands and freshwater/marine ecosystems. This is in direct support of the Convention on Biological Diversity goal of "no net loss of nature by 2030"

Forest risk commodity
Cattle products

Criteria
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
Zero net deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No trade of CITES listed species
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Promotion of gender equality and women's empowerment
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
Build community capacity and incentivize engagement in multi-stakeholder processes
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Recognition of legal and customary land tenure rights

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2013

Commitment target date
2021-25

Please explain
Kering is committed to ensure traceability of key raw materials reaches 100% by 2025. In 2020, the Group had achieved 91% traceability. Further, Kering publicly committed to create a Supplier Index of Sustainability to ensure Kering Standards for key raw materials and processes are 100% implemented by suppliers by 2025. Kering standards include specific requirement by raw materials and process and are covering both Group operations and supply chain. In summary, the key principles that underpin the Standards for sustainable and responsible sourcing of hides for leather are: • Complying with all applicable laws, conventions and regulations • Avoiding the degradation and destruction of natural ecosystems • Ensuring the highest standards of animal welfare • Guaranteeing the ethical treatment of people working in the supply chain • Promoting the ecological sustainability of livestock production methods. Minimum requirement to the sourcing of hides for leather include: “Ensure that leather does not come from farms involved in any form of deforestation in the Amazon biome”. Kering's 2020 biodiversity strategy includes a target of : "by 2025, regenerate one million hectares of farms and rangelands in our supply chain landscapes, prioritizing interventions that offer both biodiversity and carbon benefits", thereby addressing "restoration and compensation to address past deforestation and/or conversion". This represents about 3 times Kering’s total land footprint.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	Kering’s commitment to sustainability is driven at the highest level of governance by the Chairman and CEO and it draws on the same impetus that drives the Group’s strategy: “empowering imagination”, going beyond the limits of imagination to release each brand’s full potential. For Kering, sustainability plays a fundamental and inherent role in product quality while creating value and differentiates Kering from its competitors. In this sense, it offers a long-term competitive advantage to the Group, provides business development opportunities, spurs innovation, offers the potential to improve efficiency, and helps attract and retain talents. Kering has designed its targets according to the reference framework defined by the Science Based Target Initiative (SBTi) and is committed to a 90% reduction in its absolute greenhouse gas emissions from its operations (scopes 1 and 2) by 2030, along with a 70% reduction per unit of value added in emissions connected to its supply chains (scope 3). • Achieving adaptation and resilience with nature-based solutions: the Group favors sourcing materials from regenerative agriculture, which aims to protect and restore biodiversity and soil health. • Offsetting and achieving “net zero”: Kering has made a commitment to offsetting residual emissions from all of the Group's own activities and those of its supply chain, and has set a target of achieving net zero by 2050. • Industry transformation: through partnerships and coalitions like OP2B and the Fashion Pact, Kering aims to develop a new, holistic approach to managing forest-related risks, mitigating their impact and contributing to global forest-related objectives. In 2020, Kering published its biodiversity strategy that includes commitments such as "Continue to ensure our viscose and other wood-pulp based materials come from supply chains that avoid sourcing from ancient and endangered forests, using the CanopyStyle methodology and/or FSC certification" ; "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value (using scientifically recognized reference systems), with attention to forested areas, grasslands, wetlands and freshwater/marine ecosystems".
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Kering's 2025 Sustainability Strategy lays out a plan to achieve the Group’s long-term sustainability objectives as part of Group’s overall long-term business objectives. On forest issues, Kering’s strategy relies on three key approaches: - the EP&L: In 2017, as part of its long-term business objectives, Kering revealed its 2025 Sustainability Strategy, which includes forest strategy as part of the strategic target to reduce Kering’s EP&L account accross its supply chain by 40% . The EP&L relies on six key indicators among which land use is included. - The second key target for forest strategy is Kering’s commitment that 100% of raw materials be Kering Standards compliant by 2025, which implies 100% fulfilment of enclosed forest-related guidelines on leather, paper & wood, and cellulosic fabrics in Kering’s direct operations and supply chain. - Third, Kering committed to develop new and sustainable solutions for sourcing raw materials, such as the development of alternate raw materials through its partnership with the Fashion for Good accelerator, that supports startups like Paptic, a revolutionary, environmental new material replacing paper and plastic, or Amadou Leather, a leather alternative made from mushroom material, both aiming at reducing pressure on forest ecosystems. Kering is also committed to carbon compensation of its scope 1,2,3 GHG emissions through reforestation REDD+ projects. On our road to Net-Zero 2050, we’ve become carbon neutral in our operations and across the supply chain from 2018, offsetting all remaining annual GHG emissions via REDD+ to protect critical forests and biodiversity. In 2020, Kering published its biodiversity strategy including commitments : "Continue to ensure our viscose and other wood-pulp based materials come from supply chains that avoid sourcing from ancient and endangered forests, using the CanopyStyle methodology and/or FSC certification" ; "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value (using scientifically recognized reference systems), with attention to forested areas, grasslands, wetlands and freshwater/marine ecosystems".
Financial planning	Yes, forests-related issues are integrated	11-15	Kering’s overall long-term financial planning includes a dedicated Sustainability budget at both Group’s and Brands’ levels, for the purpose the strategic implementation of Sustainability programs, in line with 2025 Sustainability strategy, including those specifically focusing on forest management strategy such as the Smart Sourcing program, launched in 2013 at Group-level, that oversees the development/release of the Kering standards, including forest-related requirements and guidelines on cattle and leather sourcing or paper certification recommendations, or the carbon offsetting of its Scope 1,2,3 greenhouse gas emissions through reforestation REDD+ projects. This budget was defined within the global long-term Group’s strategy financial planning in line with Sustainability strategy time horizon (by 2025, and further to 2050 regarding climate-related issues) and is allocated on a yearly basis. It is directly managed by Kering’s Chief Sustainability Officer who is responsible for allocating the budget to the programs. Annual budget, including the budget relating to addressing forest issues - such as programs towards 100% traceability of leather, paper, wood or cellulosic fibers, or the REDD+ compensation programs -, is rediscussed on a yearly basis at corporate finance level, based on previous year’s achievements including those that are related to forest (such as leather traceability target achievement, or paper FSC/PEFC certification levels).

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number
Target 1

Forest risk commodity
Timber products

Type of target
Engagement with direct suppliers

Description of target
100% alignement with Kering Standards by 2025. In 2012, Kering set out basic principles and guidelines on responsible sourcing, known as the Kering Standards. A first in the luxury industry, the Standards were published in 2018 and can be downloaded in English, Italian and French from the Group's website. The Standards set out the criteria imposed on the Group and its suppliers in five key areas: traceability, use of chemicals, social impact, environmental impact and animal welfare, describing the minimum requirements for Group suppliers in each of these five areas, as well as the more demanding requirements that suppliers will have to meet by 2025. They are based on founding notions of integrity (material traceability, chain of custody certification, etc.), circularity (use of recycled materials where possible, consideration of the recyclability of products, etc.) and the precautionary principle (no use of GMOs, no nano-materials, etc.).

Linked commitment
Zero net/gross deforestation

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2015

Target year
2025

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

Target (%)
100

% of target achieved
91

Please explain
The Kering Standards set the framework for commitment and action in addition to providing a way of measuring progress and outcomes on social fairness, respect for nature, animal welfare, and a healthy and safe environment. Since 2013, the Smart Sourcing programme provides recommendations and guidance for brands, allowing them to use raw materials produced sustainably and responsibly. As the Group's sustainability strategy entered a new phase, in 2016 the guidelines were restructured into the Kering Standards, which give fuller details on material and process requirements. These guidelines were publicly released in 2018 and updated in 2019 and 2020. The new Kering Standards specify criteria to be met by the Group and its suppliers on five main points: traceability, chemicals, social impact, environmental impact and animal welfare. They cover leather, precious skins, fur, cashmere, wool, cotton, paper, wood, plastic, gold, diamonds, cellulose based fibres, feathers and down. Kering Standards have also been drawn up for the Group's main production processes, namely tanning, textile manufacture stages and leather work. Kering also developed a series of species-specific guidelines on animal welfare, working with Group brands and outside experts. In this context, Kering engages regularly with its suppliers through, for example, questionnaires and audits. - In 2021, 91% of timber products (paper and cardboard, cellulosics, wood) used by weight were aligned with Kering Standards

Target reference number
Target 2

Forest risk commodity
Timber products

Type of target
Traceability

Description of target
Kering is committed to ensure traceability of key raw materials reaches 100% by 2025.

Linked commitment
Zero net/gross deforestation

Traceability point
State or equivalent

Third-party certification scheme
<Not Applicable>

Start year

2015

Target year
2025

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

Target (%)
100

% of target achieved
85

Please explain
In 2021, 85% of timber products (paper and cardboard, cellulosics, wood) used by weight were traceable. The Kering Standards lay down the Group's requirements in terms of traceability for the key raw materials used by the Houses. The overall level of traceability is consolidated annually through the EP&L tool. The level of traceability required by type of material was set on the basis of a risk matrix for each type of raw material, as well as the level of transparency achievable by the market. The origin of the raw materials is established by supplier declaration, and may be supplemented by specific protocols including certification (such as ICEC for leather) and verification by the Houses. In addition to audits, the Houses use various technologies to trace the path from the extraction of raw materials to the intermediate production stages and then into their own operations and finally into stores. These technologies include RFID and NFC chips, blockchain, mechanical marking of hides, and forensic technology

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Target reference number
Target 3

Forest risk commodity
Cattle products

Type of target
Engagement with direct suppliers

Description of target
100% alignement with Kering Standards by 2025. In 2012, Kering set out basic principles and guidelines on responsible sourcing, known as the Kering Standards. A first in the luxury industry, the Standards were published in 2018 and can be downloaded in English, Italian and French from the Group's website. The Standards set out the criteria imposed on the Group and its suppliers in five key areas: traceability, use of chemicals, social impact, environmental impact and animal welfare, describing the minimum requirements for Group suppliers in each of these five areas, as well as the more demanding requirements that suppliers will have to meet by 2025. They are based on founding notions of integrity (material traceability, chain of custody certification, etc.), circularity (use of recycled materials where possible, consideration of the recyclability of products, etc.) and the precautionary principle (no use of GMOs, no nano-materials, etc.).

Linked commitment
No conversion of natural ecosystems

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2015

Target year
2025

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

Target (%)
100

% of target achieved
68

Please explain
- In 2021, 68% of cattle products (leather hides all types) used by weight were aligned with Kering Standards The Kering Standards set the framework for commitment and action in addition to providing a way of measuring progress and outcomes on social fairness, respect for nature, animal welfare, and a healthy and safe environment. Since 2013, the Smart Sourcing programme provides recommendations and guidance for brands, allowing them to use raw materials produced sustainably and responsibly. As the Group's sustainability strategy entered a new phase, in 2016 the guidelines were restructured into the Kering Standards, which give fuller details on material and process requirements. These guidelines were publicly released in 2018 and updated in 2019. The new Kering Standards specify criteria to be met by the Group and its suppliers on five main points: traceability, chemicals, social impact, environmental impact and animal welfare. They cover leather, precious skins, fur, cashmere, wool, cotton, paper, wood, plastic, gold, diamonds, cellulose based fibres, feathers and down. Kering Standards have also been drawn up for the Group's main production processes, namely tanning, textile manufacture stages and leather work. Kering also developed a series of species-specific guidelines on animal welfare, working with Group brands and outside experts.

Target reference number
Target 4

Forest risk commodity
Cattle products

Type of target
Traceability

Description of target
Kering is committed to ensure traceability of key raw materials reaches 100% by 2025.

Linked commitment
No conversion of natural ecosystems

Traceability point
Slaughterhouse

Third-party certification scheme
<Not Applicable>

Start year
2015

Target year
2025

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

Target (%)
100

% of target achieved
93

Please explain
In 2021, 93% of cattle products (leather hides all types) used by weight were traceable. The Kering Standards lay down the Group's requirements in terms of traceability for the key raw materials used by the Houses. The overall level of traceability is consolidated annually through the EP&L tool. The level of traceability required by type of material was set on the basis of a risk matrix for each type of raw material, as well as the level of transparency achievable by the market. The origin of the raw materials is established by supplier declaration, and may be supplemented by specific protocols including certification (such as ICEC for leather) and verification by the Houses. In addition to audits, the Houses use various technologies to trace the path from the extraction of raw materials to the intermediate production stages and then into their own operations and finally into stores. These technologies include RFID and NFC chips, blockchain, mechanical marking of hides, and forensic technology

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Target reference number
Target 11

Forest risk commodity
Timber products

Type of target
Third-party certification

Description of target
Kering is committed to use of 100% recycled or FSC-certified paper or wood by 2025

Linked commitment
Zero net/gross deforestation

Traceability point
<Not Applicable>

Third-party certification scheme
FSC Chain of Custody

Start year
2015

Target year
2025

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

Target (%)
100

% of target achieved
85

Please explain
In 2021, the proportion of certified (FSC) or recycled paper was 85% for the Group. A Kering Standard dedicated to packaging was developed in 2020, setting out the eco-design principles that should be applied to packaging in order to improve its environmental impact. The principles revolve around the following areas: reduction (of weight and volume), reuse, recycling and incorporation of responsible materials (recycled, bio-sourced and certified). The standard notably aims to eliminate single-use plastics and problem plastics like PVC. To facilitate employee understanding and buy-in, the Packaging Standard was presented to employees of Kering and its Houses during webinars on topics like bio-based plastics and e-commerce packaging. Most of the Houses favor FSC certification for their paper and cardboard packaging, as well as recycled paper:

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Through its Environmental Profit and Loss (EP&L) account, Kering is tracking each year its raw material consumption including timber related products as well as sourcing information. This information is provided by the Brand's purchasing department based on invoices details and are checked each year across a sample of suppliers (representing 80% of sales). Purchasing manager are reaching suppliers to control the information they have self declared. A sense check is also done based on the specific type of material and the trade information related to these specific raw materials to see if the country of origin specified by the supplier is compatible with worldwide trade data. For instance, the EP&L allows for extracting the level of paper FSC/PEFC certification, at group-level and per brand, which can then be communicated to the sustainability leads of each brand so that they can put in place the needed actions on paper sourcing so as to ensure to reach the target of 100% certification by 2025. In 2021, the proportion of certified or recycled packaging was 91% for paper and cardboard packaging.	Specific supplier(s)	For some suppliers, the information related to the country of origin was not provided which explains the percentage of consumption that is not traceable. In this case global trade data are applied to estimate the country of origin but it is not verified.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes	Through its Environmental Profit and Loss account, Kering is tracking each year its raw material consumption including timber related products as well as sourcing information. This information is provided by the Brand's purchasing department based on invoices details and are checked each year across a sample of suppliers (representing 80% of sales). Purchasing manager are reaching suppliers to control the information they have self declared. A sense check is also done based on the specific type of material and the trade information related to these specific raw materials to see if the country of origin specified by the supplier is compatible with worldwide trade data. For instance, the EP&L allows Kering to track its leather consumption. As a result, In 2021, 93% of Kering's leather was fully traceable.	Specific supplier(s)	For some suppliers, the information related to the country of origin was not provided which explains the percentage of consumption that is not traceable. In this case global trade data are applied to estimate the country of origin but it is not verified.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	State or equivalent	85
Cattle products	Slaughterhouse	93

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	85
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Yes	68
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity
Timber products

Third-party certification scheme
FSC Chain of Custody

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
85

Form of commodity
Paper
Primary packaging
Secondary packaging
Tertiary packaging
Cellulose-based textile fiber

Volume of production/ consumption certified
1049

Metric for volume
Metric tons

Is this certified by more than one scheme?
No

Please explain
- In 2021, 85% of the paper consumed was certified (PEFC or FSC) i.e. 1,049 metric tons out of a total of 1,234 metric tons. Most of the maisons prefer FSC certification for their paper and cardboard packaging, as well as recycled paper: Gucci has been a member of FSC since 2017. All of thepackaging and printed materials used by the House,for BtoB and BtoC, have been FSC-certified since 2010. In2020, Gucci launched its new "Gucci Green Packaging for both in-store and online sales. All paper and board in this range is certified FSX mix. The production of these paper and cardboard packaging requires less ink and is alsofully recyclable, thanks to the absence of coating. Saint Laurent also uses only FSC certified paper and has set up recycling systems in all offices and in all offices and stores to recycle paper and cardboard. Alexander McQueen's and Brioni's BtoC paper and cardboard packaging is also 100% FSC certified, as well as the majority of Brioni's BtoB packaging. For Balenciaga, 100% of its primary and secondary paper packaging is made up of 40% post-consumer recycled paper.

Forest risk commodity
Cattle products

Third-party certification scheme
RA SAN Standard for Sustainable Cattle Production Systems

Chain-of-custody model used
Mass balance

% of total production/consumption volume certified
68

Form of commodity
Hides/ leather

Volume of production/ consumption certified
25806

Metric for volume
Metric tons

Is this certified by more than one scheme?
No

Please explain
- In 2021, 68% of cattle products (leather hides all types) used by weight were aligned with Kering Standards The Kering Standards set the framework for commitment and action in addition to providing a way of measuring progress and outcomes on social fairness, respect for nature, animal welfare, and a healthy and safe environment. Since 2013, the Smart Sourcing programme provides recommendations and guidance for brands, allowing them to use raw materials produced sustainably and responsibly. As the Group's sustainability strategy entered a new phase, in 2016 the guidelines were restructured into the Kering Standards, which give fuller details on material and process requirements. These guidelines were publicly released in 2018 and updated in 2019. The new Kering Standards specify criteria to be met by the Group and its suppliers on five main points: traceability, chemicals, social impact, environmental impact and animal welfare. They cover leather, precious skins, fur, cashmere, wool, cotton, paper, wood, plastic, gold, diamonds, cellulose based fibres, feathers and down. Kering Standards have also been drawn up for the Group's main production processes, namely tanning, textile manufacture stages and leather work. Kering also developed a series of species-specific guidelines on animal welfare, working with Group brands and outside experts. Kering Standards criteria for leather includes alignement with third party certifications such as RA SAN Standard.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity
Cattle products

Operational coverage
Direct operations
Supply chain

Description of control systems
For cattle products, we control, monitor and verify compliance with no conversion and no deforestation commitments through our new Biodiversity Policy published in 2020, which is focused on three goals: • stemming biodiversity loss; • restoring ecosystems and species; • sparking systemic change that goes above and beyond our supply chains. In addition, thanks to the Savory Institute's Ecological Outcome Verification (EOV) program, Kering will have access to data and verifications carried out by the Institute to demonstrate the positive impact of its sourcing choices on soil, water management, animal welfare and biodiversity. 3,420 supplier audits were performed in 2021, representing 64% of our suppliers. After qualification, suppliers' continued compliance with Kering requirements is verified by follow-up audits. In 2021, 93% of leather is traceable and 68% is aligned with Kering Standards.

Monitoring and verification approach
First-party verification

% of total volume in compliance
61-70%

% of total suppliers in compliance
61-70%

Response to supplier non-compliance
Retain & engage
Suspend & engage
Exclude

Procedures to address and resolve non-compliance with suppliers
Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain
% of total volume in compliance: - In 2021, 68% of leather is aligned with Kering Standards. % of total suppliers in compliance: - 64% of suppliers were audited in 2021. After qualification, suppliers' continued compliance with Kering requirements is verified by follow-up audits. Response to non-compliance: The Group and its Houses implement corrective actions when non-compliance is identified. A single central body allows Kering to control the compliance of Group suppliers. The Hercules system is build on 6 pillars: 1) The Sustainability Principles 2) Central management team 3) Clear and uniform procedures for all the Houses, corresponding to the different stages of the supplier relationship, including the activation procedure, monitoring procedure, and termination of contract procedure 4) Risk assessments and audit plans are constructed on the basis of a set of predefined criteria. 5) A single and comprehensive audit methodology, with a comprehensive audit questionnaire (Containing 97 questions). Follow-up audits with a smaller scope focus on the area(s) in which breaches of compliance were identified. 6) Anomalies classified into four categories and standard responses to each case: - zero tolerance: immediate establishment of a committee - serious compliance breach: one month to resolve and follow-up audit - moderate compliance breach: three months to resolve and follow-up audit - observations: six months to resolve and corrective action plan

Forest risk commodity
Timber products

Operational coverage
Direct operations
Supply chain

Description of control systems
For timber products, we control, monitor and verify compliance with no conversion and no deforestation commitments through our new Biodiversity Policy published in 2020, which is focused on three goals: • stemming biodiversity loss; • restoring ecosystems and species; • sparking systemic change that goes above and beyond our supply chains. In addition, thanks to the Savory Institute's Ecological Outcome Verification (EOV) program, Kering will have access to data and verifications carried out by the Institute to demonstrate the positive impact of its sourcing choices on soil, water management, animal welfare and biodiversity. 3,420 supplier audits were performed in 2021, representing 64% of our suppliers. After qualification, suppliers' continued compliance with Kering requirements is verified by follow-up audits.

Monitoring and verification approach
First-party verification

% of total volume in compliance
Please select

% of total suppliers in compliance
Please select

Response to supplier non-compliance
Retain & engage
Suspend & engage
Exclude

Procedures to address and resolve non-compliance with suppliers
Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain
% of total volume in compliance: - In 2021, 91% of timber products used by the Group were aligned with Kering Standards % of total suppliers in compliance: - 64% of suppliers were audited in 2021. After qualification, suppliers' continued compliance with Kering requirements is verified by follow-up audits. Response to non-compliance: The Group and its Houses implement corrective actions when non-compliance is identified. A single central body allows Kering to control the compliance of Group suppliers. The Hercules system is build on 6 pillars: 1) The Sustainability Principles 2) Central management team 3) Clear and uniform procedures for all the Houses including monitoring and termination of contract procedure 4) Risk assessments and audit plans constructed on the basis of a set of predefined criteria 5) Single and comprehensive audit methodology, with comprehensive audit questionnaire. Follow-up audits with a smaller scope focus on the area(s) in which breaches of compliance were identified. 6) Anomalies classified into four categories and standard responses to each case: - zero tolerance: immediate establishment of a committee - serious compliance breach: one month to resolve and follow-up audit - moderate compliance breach: three months to resolve and follow-up audit - observations: six months to resolve and corrective action plan

F6.5

(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	No, we do not collect data	Brazil being a very limited (e.g less than 1% volume) sourcing with regards cattle products (leather hides) we do not collect specific data related to supplier's compliance on the Brazilian Forest Code.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Yes, from suppliers	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

Kering has a department in charge of compliance in each region, headed by a Compliance Officer In addition to the anti-corruption policy and related procedures, the Group Compliance Department also provides additional advice to Compliance Officers and Group employees through the regular issue of guidelines on specific compliance matters

Country/Area of origin

Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Cattle products

Procedure to ensure legal compliance

Kering has a department in charge of compliance in each region, headed by a Compliance Officer. In addition to the anti-corruption policy and related procedures, the Group Compliance Department also provides additional advice to Compliance Officers and Group employees through the regular issue of guidelines on specific compliance matters

Country/Area of origin

Argentina
Australia
Brazil
India
Kenya
Nigeria

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	Kering is mostly buying its packaging through converters and has therefore no contact with smallholders.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, working with smallholders	Capacity building	Offering on-site technical assistance and extension services Organizing capacity building events Investing in pilot projects	436	Through its different programs on the field, Kering engages with a significant numbers of small holders: - Through its partnership with the Savory Institute, Kering contributes to the support of small holder farmers in 16 countries worldwide to transition towards regenerative farming practices. In 2021, the collaboration with the Savory Institute focused on establishing and supporting wool and leather supply chains around the world (New Zealand, United Kingdom, Turkey, etc.). - Through its multi-stakeholder project in the South Gobi area, Kering supports around 200 herder families through bonus/incentive payments and better pricing in order for them to switch to more sustainable herding practices (holistic grazing, improved land management, etc.) - Through its project in South Africa, aiming at building up a sustainable sheep leather supply chain from farm to finished leather, Kering collaborates with the Karoo Meat of Origin certification programme. This programme, which looks at environmental, social and animal welfare practices at farm level, is engaging 236 farmers to improve their practices.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Organizing capacity building events	71-80%	In line with the objective of creating a “Supplier Sustainability Index” and ensuring its Standards are implemented by all suppliers by 2025, Kering designed and implemented a new supplier portal in 2020, which can be accessed online. It serves as a Vendor Rating System and a means of sharing information and best practices in terms of sustainability. This portal allows for the ongoing assessment, by means of dedicated, comprehensive questionnaires of up to 300 questions (see also section 2.5), of implementation of the Kering Standards across the supply chain, environmental performance and social performance. This information is used to calculate CSR performance indicators for suppliers and to define the scope of new projects. In 2021, more than 500 suppliers representing around 71% of purchasing in the ready-to-wear, leather goods and shoes categories have completed the three questionnaires, making a self-assessment of their performance via the portal.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Organizing capacity building events	71-80%	In line with the objective of creating a “Supplier Sustainability Index” and ensuring its Standards are implemented by all suppliers by 2025, Kering designed and implemented a new supplier portal in 2020, which can be accessed online. It serves as a Vendor Rating System and a means of sharing information and best practices in terms of sustainability. This portal allows for the ongoing assessment, by means of dedicated, comprehensive questionnaires of up to 300 questions (see also section 2.5), of implementation of the Kering Standards across the supply chain, environmental performance and social performance. This information is used to calculate CSR performance indicators for suppliers and to define the scope of new projects. In 2021, more than 500 suppliers representing around 71% of purchasing in the ready-to-wear, leather goods and shoes categories have completed the three questionnaires, making a self-assessment of their performance via the portal.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Disseminating technical materials Participating in workshops Investing in pilot projects	Kering is closely working with its direct and indirect suppliers of cellulose based fibres in order to increase the level of traceability up to the pulp producer. Kering is in parallel encouraging suppliers to set-up sourcing policies regarding the tiers beyond first-tier suppliers, committing not to source cellulosic fabrics from ancient and endangered forests or controversial sources. The goal being to eliminate viscose/cellulosics coming from controversial supply chains not complying with national and international laws on legal trade, human rights and the protection of endangered forests, hence reducing the risks linked to this specific sourcing. In 2018, the Kering Standards, saw the addition of standards dedicated to viscose and cellulosic fibers derived from wood pulp. These standards have been peer reviewed, and are very closely aligned with the approach and requirements advocated by Canopy, an environmental NGO dedicated to protecting forests, species and the climate. In addition, in 2020 Kering continued working with CanopyStyle's Forest Mapper, a Kering-funded initiative to create the first interactive map tracking ancient and endangered forests, thereby providing businesses with tangible decision-making support for their purchases of paper, packaging, wood and cellulosic textiles, with a view on the whole supply chain up to the forest, beyond solely first-tier suppliers. As an example of integration of sustainable cellulosic material suppliers' production into Kering's products, Alexander McQueen has continued to increase the share of sustainable cellulosic textiles in its collections: today, approximately 20% of products contain more than 50% of cellulose fibers produced in accordance with the Kering Standards. Meanwhile, at Bottega Veneta, certified viscose was used in the Pre-Spring 2020 collection (developed and launched in 2019), as well as a new sustainable material composed of a mixture of cork and fennel waste from the agri - food sector, produced entirely in Europe. Moreover, for one brand, Kering Eyewear produces a range using bio - acetate M49, an innovative phthalate - free material derived from cottonseed fibers and wood pulp, whose supply is certified by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC) and the Sustainable Forestry Initiative (SFI).
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Disseminating technical materials Participating in workshops Investing in pilot projects	Kering is closely working with its suppliers, including tanneries, to drastically improve the level of traceability of the hides up to the farming country. In parallel, Kering is defining List of Preferred Sourcing Countries for leather or from specific sources that are verified as sustainable. By 2025, all suppliers will be required to only source leather/hides for Kering: • Either from a preferred country as listed in Kering Standards. • And/or from any country as long as the source of the hides/leather (i.e. the farm and slaughterhouse) are verified as sustainable, meaning that it has one of the certifications listed in Kering standards, or other certification that is approved by Kering and that meets Kering's Standards of land management, working/social conditions and animal welfare. The suppliers are also required to ensure beyond their own first tier that leather does not come from farms involved in any form of deforestation in the Amazon biome Kering brands will not work with suppliers that source leather from farms involved in any form of deforestation in the Amazon biome since July 2006, or farms included in IBAMA's embargo list. Leather suppliers must: (1) investigate with their sub-suppliers as to where the hides come from, (2) actively check in detail for the sources of leather coming from South America and (3) terminate relations with any sub-supplier that is not compliant on these points. These sourcing requirement are reducing the risks linked to the use of leather, both direct impacts of farm production systems—such as conversion of natural habitat to pasture—in addition to "indirect impacts" such as feedstocks from unsustainable agricultural production. To support the implementation of the above mentioned standards, suppliers have access to an online training on the Kering standards for raw materials and manufacturing processes. On an annual basis, Kering organizes a physical conference/event with the suppliers (tanneries) in its leather supply chain, with each time a specific topic to address. In 2019, the conference was organized in Italy and was focused on the topic of metal-free tanning. Additionally, Kering also engages with suppliers in the cattle leather supply chain based on individual projects and pilots to improve their sustainability performance from farming practices upstream to tanning processes downstream
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, but we are planning to engage in landscape/jurisdictional approaches in the next two years	Important, but not an immediate priority	As part of its Net Zero commitment, Kering has been supporting offsetting programs since 2012 via REDD+ projects. The carbon offsetting (in 2021 in respect of 2020 CO2 emissions) of all of the Group's activities (Scopes 1 and 2 and part of Scope 3) and its supply chain (Scope 3), representing a total of 1,779,888 TCO2 via REDD+ certified projects, protects and restores sensitive ecosystems (forests, wetlands, coastal areas) as well as supporting green energy generation projects. In addition, Kering is continuing to diversity its carbon offsetting approach to include other natural climate solutions, such as regenerative farming practices that enhance carbon sequestration and mangrove restoration. Since 2020, Kering has also invested in Low Carbon Label projects, in partnership with IDELE (Institut de l'Élevage), which support French cattle breeders in developing more carbon efficient practices.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity
Timber products

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Country/Area
Not applicable

Subnational area
Not applicable

Initiatives
UN Global Compact
Natural Capital Coalition
Forest Stewardship Council (FSC)
Programme for the Endorsement of Forest Certification (PEFC)

Please explain
Kering's sustainable supply strategy for cellulosic fibers such as viscose is also attracting great attention, in so far as they are made from wood pulp and as such carry significant risks in terms of deforestation. These materials were added to the Kering Standards in 2018, and are peer-reviewed and to a very large extent follow the logic and requirements of Canopy, an environment-focused NGO that works to protect the world's forests, species and climate. In addition, in 2018, Canopy launched ForestMapper, a Kering-funded initiative to create the first interactive map tracking ancient and endangered forests, thereby providing businesses with tangible decision-making support for their purchases of paper, packaging, wood and cellulosic textiles. The Group and its Houses source primarily from suppliers that have achieved the "green" level (score above 20) under the Canopy Hot Button Ranking methodology, as well as FSC-certified cellulosic fiber. On a yeraly basis, Kering is also involved in multi stakeholders platforms such as: Member of the Sustainable Apparel Coalition (SAC), the One Planet for Biodiversity Business (OP2B) coalition, the global Natural Capital Impact Group (NCIG) network, the Paris Good Fashion initiative, Entreprises Pour l'Environnement (EPE), the textile and apparel working group of the Value Change Programme, and the Mekong Club, working to combat modern slavery, the Fédération de la Haute Couture et de la Mode's sustainable development commission, consultative board member of Capitals Coalition and the EU Business @ Biodiversity Platform, UN Global Compact.

Forest risk commodity
Cattle products

Do you participate in activities/initiatives?
Yes

Activities
Involved in industry platforms

Country/Area
Not applicable

Subnational area
Not applicable

Initiatives
<Not Applicable>

Please explain
Kering is a founding member of the Fashion Pact , a coalition of fashion and textile players formed under the leadership of François-Henri Pinault with the aim of setting practical objectives for reducing the environmental impact of their industry. In preparation for the G7 meeting held in Biarritz, France, in August 2019, French president Emmanuel Macron tasked François-Henri Pinault, Chairman and Chief Executive Officer of Kering, with bringing together fashion and textile companies to set practical objectives for reducing their industry's environmental impact. In a historic move, given the scale and importance of the coalition that has been created, 63 companies representing more than 250 brands have now signed up to the Fashion Pact, thereby pledging to take action in three fundamental areas for safeguarding the planet: - halting climate change, with the goal of achieving zero greenhouse gas emissions by 2050 in order to keep global warming below a 1.5°C pathway between now and 2100; -restoring biodiversity, by achieving objectives that use Science Based Targets to restore natural ecosystems and protect species; - and protecting the oceans, by reducing the fashion industry's negative impact through practical initiatives such as phasing out single - use plastics Specifically concerning the Fashion Pact's Climate commitment, Kering committed to implementing Science-Based Targets (SBTs) on climate and drive corporate actions that are consistent with a 1.5-degree pathway through a 'just transition' to achieve net-zero by 2050. This may include specific targets/actions around: 2. Support of the UNFCCC Fashion Industry Charter with the ambition to implement SBTs. 2. After taking all measures possible to reduce and avoid carbon emission, committing to offset through verifiable programs such as REDD+ to achieve 'net-zero' by 2050. 3. Supporting climate adaptation and resilience through sustainable sourcing of key raw materials. Relative to the latter point, Kering is especially committed to ensuring sustainable sourcing of its key raw materials, with in 2021: 93% of its leather products being fully traceable, and 68% of its leather products being in alignment with the Kering Standards, which include commitments on deforestation.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?
Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference
Project 1

Project type
Other ecosystem restoration

Primary motivation
Voluntary

Description of project
As part of its Net Zero commitment, Kering has been supporting offsetting programs since 2012 via REDD+ projects. The carbon offsetting (in 2021 in respect of 2020 CO2 emissions) of all of the Group's activities (Scopes 1 and 2 and part of Scope 3) and its supply chain (Scope 3), representing a total of 1,779,888 TCO2 via REDD+ certified projects, protects and restores sensitive ecosystems (forests, wetlands, coastal areas) as well as supporting green energy generation projects. In 2021, 190,298 tCO2e were offset through the KATINGAN PEATLAND RESTORATION AND CONSERVATION PROJECT The Katingan Project seeks to protect and restore 149,800 hectares of peatland ecosystems, to offer local people sustainable sources of income, and to tackle global climate change – all based on a solid business model. The project area stores vast amounts of CO2, and plays a vital role in stabilizing water flows, preventing devastating peat fires, enriching soil nutrients and providing clean water. It is rich in biodiversity, being home to large populations of many high conservation value species, including some of the world's most endangered; such as the Bornean Orangutan (Pongo pygmaeus) and Proboscis Monkey (Nasalis larvatus). It is surrounded by villages for which it supports traditional livelihoods including farming, fishing, and non-timber forest products harvesting. The project's expected CCB benefits include: A) Climate benefits - Average 7,451,846 tons of GHG emission reductions annually through avoided deforestation and forest degradation, prevention of peat drainage and fires - Ecological enhancement at the landscape scale through ecosystem restoration B) Community benefits - Improved quality of life and reduced poverty of the project-zone communities through a creation of sustainable livelihoods options and economic opportunities - Stronger community resilience through increased capacity to cope with socio-ecological risks - Enhanced ecosystem services for the overall well-being of the project-zone communities through ecosystem restoration C) Biodiversity benefits - Stabilized and healthy populations of faunal and floral species in the project zone by eliminating drivers of deforestation and forest degradation - Enhanced natural habitats and ecological integrity through ecosystem restoration

Start year
2010

Target year
>2050

Project area to date (Hectares)
149800

Project area in the target year (Hectares)
149800

Country/Area
Indonesia

Latitude
-1.116949

Longitude
112.95713

Monitoring frequency
Annually

Measured outcomes to date
Biodiversity
Carbon sequestration
Soil
Water
Climate regulation
Financial

Please explain
The Katingan Project seeks to protect and restore 149,800 hectares of peatland ecosystems, to offer local people sustainable sources of income, and to tackle global climate change – all based on a solid business model. The project area stores vast amounts of CO2, and plays a vital role in stabilizing water flows, preventing devastating peat fires, enriching soil nutrients and providing clean water. It is rich in biodiversity, being home to large populations of many high conservation value species, including some of the world's most endangered; such as the Bornean Orangutan (Pongo pygmaeus) and Proboscis Monkey (Nasalis larvatus). It is surrounded by villages for which it supports traditional livelihoods including farming, fishing, and non-timber forest products harvesting. The project's expected CCB benefits include: A) Climate benefits - Average 7,451,846 tons of GHG emission reductions annually through avoided deforestation and forest degradation, prevention of peat drainage and fires - Ecological enhancement at the landscape scale through ecosystem restoration B) Community benefits - Improved quality of life and reduced poverty of the project-zone communities through a creation of sustainable livelihoods options and economic opportunities - Stronger community resilience through increased capacity to cope with socio-ecological risks - Enhanced ecosystem services for the overall well-being of the project-zone communities through ecosystem restoration C) Biodiversity benefits - Stabilized and healthy populations of faunal and floral species in the project zone by eliminating drivers of deforestation and forest degradation - Enhanced natural habitats and ecological integrity through ecosystem restoration

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Project reference
Project 2

Project type
Other ecosystem restoration

Primary motivation
Voluntary

Description of project
As part of its Net Zero commitment, Kering has been supporting offsetting programs since 2012 via REDD+ projects. The carbon offsetting (in 2021 in respect of 2020 CO2 emissions) of all of the Group's activities (Scopes 1 and 2 and part of Scope 3) and its supply chain (Scope 3), representing a total of 1,779,888 TCO2 via REDD+ certified projects, protects and restores sensitive ecosystems (forests, wetlands, coastal areas) as well as supporting green energy generation projects. In 2021, 53,427 tCO2e were offset through the Nii Kaniti Community forest management project. The Nii Kaniti project works with seven indigenous communities to conserve more than 127,000 hectares of threatened forest in the Peruvian Amazon. "Nii Kaniti" means forest and development in the local, native language. This project focuses on protecting rainforest and avoiding deforestation on community land through scaling up sustainable community forest management. It integrates conservation activities that put a value on indigenous-led development with FSC certified timber extraction, cacao agroforestry and non-timber forest products, such as handcrafts or rubber-biotextiles.

Start year
2015

Target year
>2050

Project area to date (Hectares)
127000

Project area in the target year (Hectares)
127000

Country/Area
Peru

Latitude
-9.999999

Longitude
-75.999999

Monitoring frequency
Annually

Measured outcomes to date
Biodiversity
Carbon sequestration
Soil
Water
Climate regulation
Financial

Please explain
CLIMATE: Almost 2.5 million tonnes of CO2 emissions avoided since the launch of the project ECOSYSTEMS: 127,004 hectares of threatened forest protected SPECIES: 5 threatened species protected, including the jaguar, blueheaded macaw and tapir LIVELIHOODS: 357 jobs created or supported in areas such as FSC timber extraction and agroforestry SUSTAINABLE ENTERPRISE: 18 sustainable enterprises created or supported in areas such as low impact logging, cacao agroforestry and the extraction of non-timber forest products (such as rubber, handicrafts and bananas) INCLUSIVITY: 35% of jobs created or supported held by women, and 32 women in management roles within productive organisations and committees FAIR ECONOMIC RETURN: EUR 3,926,170 invested into livelihood activities and local supply chains SUSTAINABLE COMMODITIES: FSC certified timber - the first indigenous FSC programme in the world and first FSC programme in Peru

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Project reference
Project 3

Project type
Reforestation

Primary motivation
Voluntary

Description of project
As part of its Net Zero commitment, Kering has been supporting offsetting programs since 2012 via REDD+ projects. The carbon offsetting (in 2021 in respect of 2020 CO2 emissions) of all of the Group's activities (Scopes 1 and 2 and part of Scope 3) and its supply chain (Scope 3), representing a total of 1,779,888 TCO2 via REDD+ certified projects, protects and restores sensitive ecosystems (forests, wetlands, coastal areas) as well as supporting green energy generation projects. In 2021, 320,000 tCO2e were offset through the Kariba REDD+ project. The Kariba REDD+ Project is located in northwestern Zimbabwe, partly along the southern shore of Lake Kariba, the largest artificial lake in the world by volume. The project area of 784'987 hectares of forest (consisting of woodland and open woodland) spans four provinces: Matabeleland North, Midlands, Mashonaland West and Mashonaland Central. The project is administered by four Rural District Councils (RDCs): Binga, Nyaminyami, Hurungwe and Mbire. The project is community-based and consists of implementation of activities in conjunction with the local population. The project, which started on July 1st 2011 will generate a total of around 51'925'950 carbon credits from the reduction of deforestation. Additional carbon benefits resulting from stopping degradation will not be claimed. The main causes of deforestation are socioeconomic (subsistence agriculture, the collection of firewood and poaching activities) and settlements. Decreasing deforestation will be achieved through a series of activities that are designed to improve significantly the livelihoods of locals, such as improved agriculture, beekeeping, fuelwood plantations and fire management. In addition, a significant (20% of net profit) share of the project's carbon income will be invested in general activities that promote and guarantee project sustainability. The project's Community and Project Sustainability Fund is structured to benefit whole communities, specifically including the poorest members of society. The fund will be used to improve health and education in the project area due to long-term activities.

Start year
2011

Target year
2041-2045

Project area to date (Hectares)
784987

Project area in the target year (Hectares)
784987

Country/Area
Zimbabwe

Latitude
-16.525159

Longitude
28.80201

Monitoring frequency
Annually

Measured outcomes to date
Biodiversity

Carbon sequestration
Soil
Water
Climate regulation
Financial

Please explain
The project has proven successful in reducing deforestation in the project area. Since project start, over 5.6 million tCO2e of greenhouse gas emissions have been avoided through the reduction of deforestation. The climate benefits are also certified under the Verified Carbon Standard (VCS). With regards to community benefits, the project includes a wide range of activities, which have direct positive effects on communities. Farmers are trained for conservation agriculture and necessary material inputs are provided. Community gardens are established and provided improved nutrition. From February 2014 to June 2016, over 2,800 participants benefited from several workshops, and 24 community gardens have been established in the area. In addition, 188 boreholes were resuscitated from February 2014 to June 2016. Schools and hospitals are supported through the provision of direct inputs. Fire management is a very important activity to reduce forest loss through firefighting training workshops, awareness meetings and early burning. Fuelwood plantations is in its initial stage and 37,500 planting pockets were distributed up to June 2016. For employees and direct beneficiaries, the project has a positive impact on livelihoods, food security, children's education and healthcare. No participant reported to be restricted in his use of the forest for basic livelihoods or cultural needs. No grievances have been received to-date through the survey or other channels. More indirect social effects of the project have been assessed in a community survey covering all participating Rural District Councils (RDCs) in April, May and June 2016. In the survey, 282 community members, 85 direct beneficiaries and 13 employees were interviewed. The project's biodiversity benefits include a reduction of the poaching pressure on wildlife through regular patrolling, in close cooperation with the local RDCs. From February 2014 to June 2016, roughly 3,500 team-days where spent patrolling, and over 3,400 snares have been removed from the field, which means a substantial relieve of the pressure on the local wildlife. As part of the project's biodiversity monitoring, 131 trees species have been identified and many threatened wildlife species have been sighted.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?
Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module
F3. Risks and opportunities

Data points verified
Kering verifies two sets of environmental data points related to forests: - related to timber commodity: Tons of CO2 offset through REDD+ programs, which are published at page 144 of the Sustainability Chapter of Kering's 2020 URD - related to cattle commodity: Responsible purchasing of leather, which are published at page 184-186 of the Sustainability Chapter of Kering's 2020 URD This data is verified annually by Kering's statutory auditors appointed as independent third party, on the consolidated human resources, environmental and social information included in the Reference Document. This verification is performed with limited assurance

Verification standard
ISAE3000

Please explain
Tons of CO2 offset through REDD+ programs are published at page 144 of the Sustainability Chapter of Kering's 2020 URD. Responsible purchasing of leather is published at pages 184-186. The Statutory auditor's assurance statement (English version) is found at p. 225-227. This verification statement specifically mentions these two types of data under "Indicators and quantitative results selected" (p. 227).

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity
Timber products

Coverage
Supply chain

Primary barrier/challenge type
Limited availability of certified materials

Comment
Within Kering's forest risk management, cellulosic fibres such as viscose are the subject of great attention, because they are made from wood pulp and as such carry significant risks in terms of deforestation. Cellulosic fabrics, like rayon, viscose, lyocell and other trade-marked fabrics are a direct product of trees cut down exclusively to feed dissolving pulp mills. Forest ecosystems logged for fabric include the northern Boreal Forests of Canada and Russia, Coastal Temperate Rainforests of western North America, and the Tropical Rainforests of Indonesia, South East Asia and Brazil. A recent report by the London Zoological Society highlights the escalating decline in species populations, noting that actual numbers of mammals, birds, reptiles, and amphibians have declined by, on average, 52 % over the last 40 years. Loss of habitat and deforestation are significant contributors to this downturn. The main challenge faced by Kering is the fact that as of now there is very limited fully traceable or sustainable viscose available on the market. This is why, back in 2017, one of Kering brands alongside the NGO Canopy managed to commit and achieve the use of 100% traceable and sustainably sourced viscose, made with cellulose pulp from sustainably managed Swedish forests, and transformed into yarn in Germany for weaving in Italy. This ensured that their production was not the cause of deforestation in areas with high ecosystem value such as Indonesia and Brazil. In 2021, viscose accounted for approximately 5% of ready-to-wear raw materials, and in total less than 1% of the Group's raw material purchases, obtained primarily from suppliers Enka, Lenzing, Eastman, Aditya Birla and Jilin.

Forest risk commodity
Cattle products

Coverage
Supply chain

Primary barrier/challenge type
Lack of adequate traceability systems

Comment
Building sustainable leather supply chains presents significant challenges, especially in regards to traceability. Upstream in the supply chain where livestock ranching and farming occurs, and where our EP&L analysis has shown us that the largest impact occur, suppliers can be shared by hundreds, if not thousands, of companies. Any traceability of leather and hides back to the farm is often lost at the processing facilities, and confounding this is the massive global movement of hides and leather products. This complexity, in addition to the relatively small value that leather represents in the meat supply chains, means that it is difficult to track leather back to farm but also it is challenging to influence ranching and rearing practices. However, there are important initiatives underway to remedy this. A further challenge occurs whereby the environmental impacts of livestock production in Europe are linked to types of animal feed from other regions, a notable example being soya from South America. As such, efforts to promote local livestock feed production and to only source certified sustainable soya is critical. Meeting our ambitious Leather Target has progressed however it is challenging since end-users of leather, such as Kering, have limited leverage to change farming practices. There are initiatives underway to explore possibilities and a greater collaboration across sectors and industries is needed to build traceability in leather supply chains and also to promote more sustainable agricultural production.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity
Cattle products

Coverage
Supply chain

Main measure
Greater supplier awareness/engagement

Comment
Kering has recently organised a round table with representatives of various sectors of the leather ecosystem (furniture, automotive, milk and dairy, beef industry...) in order to discuss the key sustainability challenges of this supply chain. Improving sustainable practices needs transversal industry collaboration as a lot of the impacts are linked to agricultural practices (feeding, manure management, ecosystem restoration...). Kering also stepped up its collaborations with players in the food industry – and especially the meat industry . As supply chains are shared, this will make for faster verification procedures and, where necessary, improved practices. Kering is jointly steering a working group on animal welfare alongside the National Leather Council, as part of the collective Paris Good Fashion initiative. Leather and collaboration with the food industry are central aspects of the issue, and the working group therefore includes representatives from the meat sector. As well as working on its own supply chains, Kering aims to encourage and promote the emergence of more responsible practices in the industry, particularly through the development of certification for leather. Kering is a member of Textile Exchange, and sits on its Board of Directors. This organization is committed to promoting the production and use of more sustainable textiles throughout the clothing industry. It is also particularly active in several working groups including the Responsible Leather Roundtable. Since 2017, Kering has been involved in developing a benchmark for certifications in leather supply chains and implementing a mechanism for rewarding the most virtuous players in terms of animal welfare and respect for the environment. Metal-free tanning techniques

Forest risk commodity
Timber products

Coverage
Supply chain

Main measure
Greater supplier awareness/engagement

Comment
Within Kering's forest risk management, cellulosic fibres such as viscose are the subject of great attention, because they are made from wood pulp and as such carry significant risks in terms of deforestation. Cellulosic fabrics, like rayon, viscose, lyocell and other trade-marked fabrics are a direct product of trees cut down exclusively to feed dissolving pulp mills. Forest ecosystems logged for fabric include the northern Boreal Forests of Canada and Russia, Coastal Temperate Rainforests of western North America, and the Tropical Rainforests of Indonesia, South East Asia and Brazil. A recent report by the London Zoological Society highlights the escalating decline in species populations, noting that actual numbers of mammals, birds, reptiles, and amphibians have declined by, on average, 52 % over the last 40 years. Loss of habitat and deforestation are significant contributors to this downturn. The main challenge faced by Kering is the fact that as of now there is very limited fully traceable or sustainable viscose available on the market. This is why, back in 2017, one of Kering brands alongside the NGO Canopy managed to commit and achieve the use of 100% traceable and sustainably sourced viscose, made with cellulose pulp from sustainably managed Swedish forests, and transformed into yarn in Germany for weaving in Italy. This ensured that their production was not the cause of deforestation in areas with high ecosystem value such as Indonesia and Brazil. Another major challenge for the textile sector is the large-scale recycling of mixed fibers, especially those containing cotton and cellulose. Kering is looking into a number of recycling technologies and, in September 2020, joined forces with Fashion For Good for the "Full Circle Textiles Project: Scaling Innovations in Cellulosic Recycling" to research economically viable and scalable solutions for chemical recycling of cellulose to enable a closed-loop system to convert textile waste – cotton and cotton blends – into new man-made cellulosic fibers.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Sustainability Officer, member of the executive committee appointed by Kering's Chairman of the Board & CEO, has direct responsibility for climate change strategy.	Board/Executive board

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms