



## KERING's individual commitments to act4nature international

### Company presentation

A global luxury group, Kering brings together and manages the development of a group of emblematic Houses in Fashion, Leather Goods and Jewelry.

Kering's activities are closely linked to the health and proper functioning of natural ecosystems. Our [actions](#) to place biodiversity at the heart of our strategy and operations are reflected in our [Biodiversity Strategy](#) and in our [Sustainability Progress Report](#) for the period 2020-2023. Our [Environmental Profit and Loss Account](#) (EP&L), accessible to all, enables us to carry out an annual quantitative analysis of our environmental impact.

Through our [Biodiversity Strategy](#), based on the conservation hierarchy, we are committed to having a net positive impact on biodiversity by 2025, by regenerating and protecting an area around six times larger than our land footprint as estimated by the [EP&L](#) [this footprint was estimated at around 301,709 hectares in 2022].



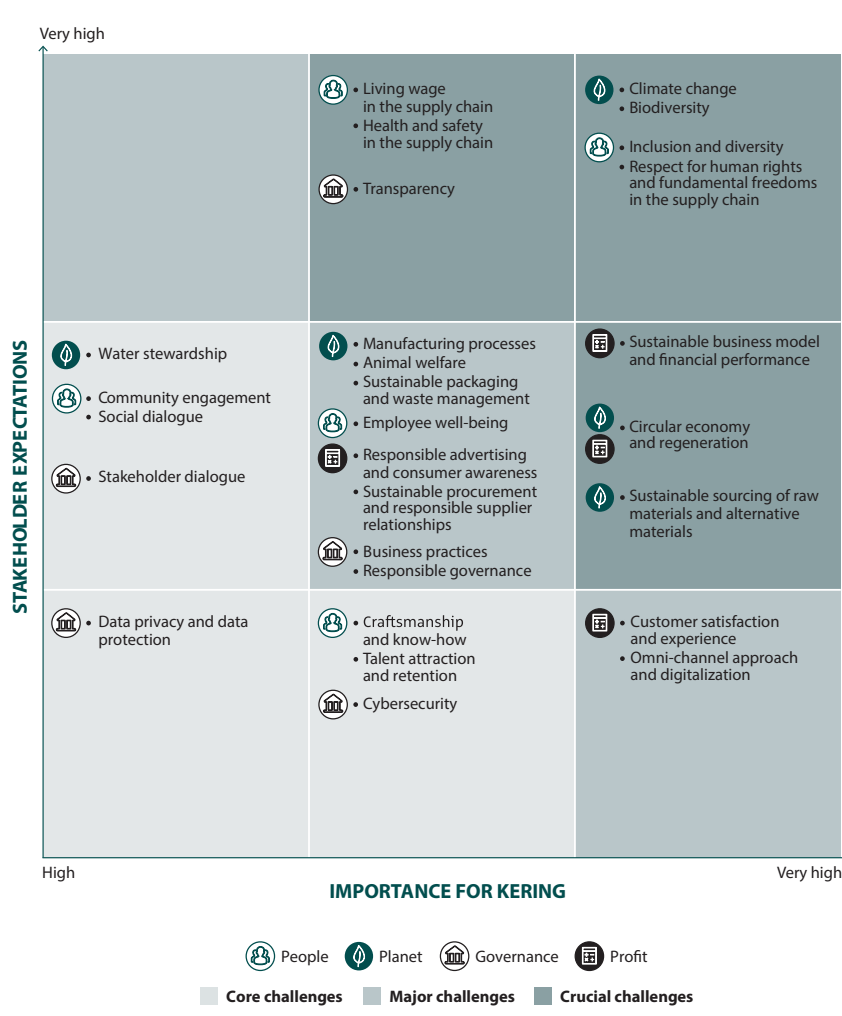
### Materiality assessment

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

Kering consulted its stakeholders around the world in 2020 in order to update its materiality assessment. This three-step materiality assessment drew on various existing guidelines for stakeholder engagement (GRI, AA1000, ISO 26000). This exercise has since been strengthened in line with relevant reference frameworks<sup>11</sup>.

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

As illustrated below<sup>21</sup>, biodiversity (just as climate change) is identified by this double materiality exercise as one of Kering's crucial challenges.



In addition, we also use our [Environmental Profit & Loss account](#)<sup>23</sup> (EP&L) to refine our materiality analysis of environmental issues. The primary objective of the EP&L is to serve as a decision-making tool, to help prioritize the Group's sustainability projects and guide day-to-day choices of decision-makers to ultimately reduce the environmental impact of Kering and its supply chains. The [results of the EP&L](#) are published each year in a highly detailed, interactive format.

The EP&L analysis of the Group's environmental profile shows that the supply chain is the main driver of Kering's environmental impacts, accounting for 86% of the total impact, with 70% attributed to the production of raw materials (Tier 4) and their initial transformation (Tier 3).

Greenhouse gas emissions (GHG), land use and water pollution remain the dominant impact indicators, accounting for around 84% of total impact, confirming the strategic priorities of Kering's environmental policy and the commitments detailed below.

### Links with previous act4nature commitments

In 2023, Kering is renewing its act4nature international commitments. The new commitments build on the previous ones, with greater specificity and depth.

For example, we committed to improving the way we measure our impact on biodiversity and ecosystem services (former commitment 1), which we are now continuing to do through our work within the [Initial Target Validation Group of the Science-Based Targets Network](#) (see new commitment 4).

In our previous commitments, we announced the launch of our [Biodiversity Strategy](#) in 2020. This strategy has now been implemented and strengthened over the past three years. In particular, this period has seen the launch of the [Regenerative Fund for Nature](#), a key vehicle for implementing step 3 (protect and regenerate) of our strategy, and the subject of our new commitment 2 (reach 1 million hectares under regeneration by 2025). We are also specifying in 2023 another commitment that is fully part of our [Biodiversity Strategy](#), which is to protect critical ecosystems outside our supply chains through nature-based solutions, financed through the purchase of carbon credits (commitment 3).

We also confirm our commitment to achieving 100% alignment with the Kering Standards<sup>64</sup> by 2025 (former commitment 2, now commitment 1).

### Individual Commitments

Individual Commitments					
Collective commitments	SMART Commitment Description	Scope	Indicators	Measurable Objective	Deadline
1 2 4 5 8 9 10	<p><b>Commitment 1:</b> By 2025, Kering is committed to ensuring that 100% of its raw material sourcing is sustainable, in accordance with the <a href="#">Kering Standards</a>.</p> <p>The Kering Standards<sup>65</sup> define the fundamental requirements that our raw material sourcing and manufacturing processes must meet. This enables us to avoid negative impacts associated with our activities (for example, by avoiding sourcing linked to deforestation or conversion of natural ecosystems), to minimize impacts that cannot be totally avoided, and even to have a positive impact on nature, climate, communities and animal welfare.</p>	Group	% of raw materials purchased each year aligned with <a href="#">Kering Standards</a> .	<p>Goal : <b>100% alignment by 2025</b></p> <p>Baseline : 18,5% 2022 Result : 71%</p>	31/12/2025
1 4 5 6 7 9	<p><b>Commitment 2:</b> By 2025, Kering aims to restore and regenerate<sup>66</sup> one million hectares in its supply chain landscapes.</p> <p>We will achieve this through the <a href="#">Regenerative Fund for Nature</a>, launched with Conservation International in 2020, which focuses on the materials with the greatest environmental impact according to our EP&amp;L: leather, cotton, cashmere and wool. We will also extend the Fund to other companies in the fashion sector.</p>	Group <sup>68</sup>	Number of hectares regenerated.	1 million d'ha.	31/12/2025
1 5 6 9	<p><b>Commitment 3:</b> By 2025, we will protect one million<sup>69</sup> hectares of critical and «irreplaceable» habitats outside our supply chains through nature-based solutions.</p> <p>We will do this through REDD+ projects and other programs offering co-benefits for biodiversity protection, carbon sequestration and local communities.</p> <p>This objective links our <a href="#">climate</a> and biodiversity strategies - the projects in question are financed by a voluntary carbon contribution mechanism<sup>10</sup>.</p>	Group <sup>111</sup>	Number of hectares of ecosystems protected or restored.	1 million ha.	31/12/2025
1 2 3 5 9 10	<p><b>Commitment 4:</b> By 2025, apply the recommendations of Science-Based Targets (SBTs) for Nature<sup>122</sup>.</p> <p>We will work closely with the Science-Based Targets Network (SBTN) to achieve validated targets for our land and freshwater impacts by 2025.</p> <p>In 2023, Kering has been selected to be part of a group of 17 companies across different sectors that will pilot the validation and validation process of science-based targets in collaboration with the Science-Based Targets Network. As such, Kering intends not only to obtain validated targets within the SBTN framework, but also to participate in experimenting and improving this framework from a multi-stakeholder cooperation perspective.</p>	Group <sup>133</sup>	Validation by SBTN of Kering's submissions for stages 1, 2 and 3 of the SBT for Nature action framework.	Validation by SBTN of our <b>freshwater</b> and <b>land</b> objectives.	July 2024 <sup>144</sup>

1 As part of its drive for continuous improvement, Kering has deepened the results of its materiality exercise around the TCFD Force on Climate-related Financial Disclosures (TCFD) reference framework for reporting on physical and transition climate risks. Starting in 2021 and continuing in 2022, the work involved the development of climate scenarios and an initial exercise to assess the estimated financial impacts of certain risks and opportunities. Kering was also selected in May 2023 as part of the «Science-Based Targets for Nature» (SBTN) pilot, launched by the Science Based Targets Network. This program will assess and prioritize strategic sites and locations across the value chain in order to implement measurable actions that will contribute directly to the preservation and restoration of natural ecosystems.

2 For more information see chapter 4.1.3 of [Kering's Universal Registration Document](#).

3 For more information see chapter 4.5.1 of [Kering's Universal Registration Document](#).

4 See next page for the definition of Kering Standards.

5 The Kering Standards define the criteria to be met by the Group and its suppliers, detailing the minimum requirements for being a Group supplier, and the more ambitious requirements that suppliers will have to meet by 2025. In addition, a number of documents and commitments from our suppliers ensure that these standards are applied operationally: the Group's Code of Ethics includes the Supplier Charter, which provides a detailed reminder to all the Group's business partners of Kering's precise social and environmental expectations, as well as the [Sustainability Principles](#), a contractual document detailing the principles that are mandatory because they are required by international and national legislation, as well as those that constitute Kering's additional requirements.

6 Our definition of regenerative agriculture is organized around 5 pillars of impact: soil health (including carbon sequestration and water cycle), protection and restoration of habitats and biodiversity, elimination of synthetic chemical inputs, improved livelihoods for farmers and local communities and animal welfare.

7 The figure of 1 million hectares reflects our ambition to have a positive impact on Nature, by regenerating an area equivalent to approximately 3 times our footprint on the land (as indicated in the «Materiality assessment» section).

8 The target is defined on the basis of the footprint of the Group's activities as a whole (see note 7). However, the 1 million hectares regenerated will be linked not only to our own value chains, but to those of the fashion industry in general.

9 The figure of 1 million hectares of critical and «irreplaceable» habitats mirrors the 1 million hectares regenerated in ecosystems linked to the fashion industry's value chains (see note 7). Indeed, we feel it is just as important to protect and improve precious ecosystems that are not directly linked to our activities. This represents an additional surface area once again equivalent to approximately 3 times our footprint on the land (as indicated in the «Materiality assessment» section).

10 We are also evaluating methods for measuring the impact on biodiversity and local communities associated with these projects beyond the metrics of hectares and tCO<sub>2</sub>e.

11 The target is defined on the basis of the footprint of the Group's activities as a whole [see note 9]. On the other hand, the 1 million hectares protected will be in ecosystems beyond our supply chain landscapes.

12 For the time being, SBTN methods cover pressures on land use, freshwater, biodiversity, climate (via SBTi) and oceans in their first two Steps (Assess and Prioritize); and the methods for setting science-based targets in Step 3 cover freshwater (water use and water pollution in specific impacted water basins) and land (zero deforestation and conversion of natural ecosystems; reduction of land footprint; landscape engagement in landscapes impacted by the company's activities).

13 Direct and upstream operations.

14 Subject to change by SBTN.