

# GUCCI

## SUSTAINABILITY PRINCIPLES

Rev. 2024\_1W

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## INTRODUCTION AND SCOPE

As stated in the Kering Human Rights policy, at Gucci we believe that our culture of integrity, under which we commit to uphold the human rights of all those involved in our global operations and to apply a precautionary approach to protecting the environment, is the foundation stone of our sustainable business development.

As a global luxury industry leader, we expect and require our business partners including our suppliers and subcontractors to do the same.

Gucci and Kering Group are committed to:

- ensuring protection of human rights, the health, safety and well-being of workers and fair working conditions in its supply chain, including reasonable working hours;
- working towards reaching a living wage for workers in its supply chain and on-site contractors;
- prohibiting the use of slavery, human trafficking, debt bondage, compulsory labour and/or forced labour;
- eliminating child labour;
- upholding freedom of association and the right to bargain collectively throughout its operations and down its supply chain;
- preventing violence, discriminatory practices and harassment;
- ensuring protection and promotion of women's rights;
- ensuring the fair treatment of migrant workers;
- ensuring protection of trade union rights;
- preventing and fighting corruption;
- ensuring transparency and traceability;
- using natural resources conscientiously and increase efficiency in the use of materials and resources;
- halting deforestation and conversion of natural ecosystems;
- preserving and protecting biodiversity and the ecosystem functions;
- using water responsibly;
- optimising waste management and minimising waste production;
- promoting respect for the environment and mitigation of climate change;
- creating positive impact within local communities, as well as economic and social development;
- preserving cultural heritage and respecting the rights of indigenous people;
- prohibiting any contribution to a war / conflict-driven economy;
- respecting animal welfare and ensuring minimal impact on the environment;
- supporting sustainable sourcing of production materials;
- having transparency on its material supply chains and supporting products' traceability.

These Sustainability Principles are in support of that commitment.

**EMBEDDED WITHIN THE GUCCI COMMERCIAL FRAMEWORK, THE GUCCI SUSTAINABILITY PRINCIPLES  
REQUIRES OUR SUPPLIERS TO COMMIT TO COMPLY WITH SUSTAINABILITY PRINCIPLES BY SIGNING  
AND DATING THIS DOCUMENT.**

**THE SCOPE OF ACTION OF THESE PRINCIPLES IS EXTENDED TO ALL THE SUPPLIERS OF GOODS AND  
SERVICES.**

Gucci and Kering Group embrace the precautionary principle, which means acting carefully and conservatively to minimise potential impact whenever there is a lack of scientific certainty regarding environmental challenges and issues relating to human health.

The SUPPLIER shall comply with applicable regulations, collective agreements and supplementary agreements in terms of human rights, workers' rights, preservation of the environment, respect for animal welfare and these Sustainability Principles but also act in accordance with the International Conventions and Declarations listed in section "Non exhaustive list of relevant standards and organisations". In the event any of these requirements are more stringent than the provisions in this document, the most stringent standard shall apply". The SUPPLIER and its sub-suppliers shall condemn and fight corruption in all its forms, including

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extortion and racketeering.

The SUPPLIER shall disclose their sub-suppliers with Gucci, and both the SUPPLIER and its sub-suppliers must allow access to their respective premises, staff and employees for inspection audits, checks or information request made by Gucci, Kering, or any designated third party. This provision shall be mandatory for disclosing their direct raw material suppliers as well (by raw material we mean fiber, yarn, fabric...).

The SUPPLIER shall ensure that the Sustainability Principles are communicated and cascaded down to its sub-suppliers concerned in production, raw materials/products sourcing and other operations and services, and shall ensure that its sub-suppliers have signed a document where they acknowledge and accept the Sustainability Principles or an equivalent document.

To the extent possible, the SUPPLIER is encouraged to incorporate the Sustainability Principles or an equivalent statement in its contracts with sub-suppliers.

The foregoing Principles shall be applied by all sub-suppliers, including the suppliers of materials and services used in the processes and other activities on behalf of Gucci and to any employee acting for and/or on behalf of the supplier and its sub-suppliers.

The SUPPLIER and its sub-suppliers shall be responsible for monitoring adherence to these requirements.

The SUPPLIER shall, where applicable, adopt and ask its sub-suppliers to adopt, codes of ethics, certifications and/or standards for processes/materials (where these are available and internationally recognised) in order to ensure compliance with the Sustainability Principles.

## RESPECT FOR HUMAN RIGHTS AND EMPLOYEES' RIGHTS IN THE WORKPLACE

### People

All workers, including part-time, fixed-term or agency workers, shall be employed on the basis of formal contracts in compliance with local legislation. Employment contracts shall specify, *inter alia*, wage, payment frequency, deductions, benefits, working hours, annual leave and public holidays, notice periods, sick pay, maternity pay, parental leave and any other local requirements ensuring all contracts are signed by both parties and that employees are given a copy of the contract provided in a language that the worker understands.

Every possible effort shall be made to ensure regular and secure employment conditions. Fixed-term contracts or agency labour agreements shall not be used as a means of denying workers their rights or benefits under labour law. Apprenticeships and training contracts are encouraged on the condition that remuneration is in compliance with local legislation and that adequate levels of training and development are ensured.

Working from home is allowed only where the employment relationship is governed by a formal contract drawn up in compliance with the employment and health and safety provisions mentioned herein and shall comply with all applicable laws and regulations. The work from home shall be paid based on a guaranteed hourly minimum wage with verifiable tracking of wage calculations and production capacity. Work that is started in a factory shall not be reallocated to be completed offsite by working from home.

The staff employed by the SUPPLIER and its sub-suppliers shall be exclusively salaried employees/working partners/or collaborators ("Staff") for which the supplier assumes full responsibility regarding:

- staff administration
- direct relations with them, both with regard to the authorities responsible for the application of current workplace safety and social security legislation, and relationships with the more representative trade unions.

The SUPPLIER and its sub-suppliers shall comply, in respect of its staff, with any and all obligations in relation to labour, health and safety, employment and remuneration, social security and welfare laid down by law, by the national bargaining agreements applicable to their respective industrial sector, and by any territorial and enterprise agreements, including supplementary agreements, in force throughout the term of the contract. The SUPPLIER shall strive to implement appropriate procedures to eventually get certified according to recognized third-party certification such as ISO26000 and SA8000.

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## Child Labour and Young Workers

**The SUPPLIER and its sub-suppliers shall prohibit the use of child labour**, which is defined by the ILO as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. SUPPLIER, similarly to Gucci, shall ensure zero tolerance of it. In this respect, no individual who is under 15 years old should be employed under any circumstance, even if local legislation allows for lower limits. Should the law establish a higher employment or compulsory school attendance age, that higher age shall prevail.

Where legally allowed, young workers between 15 and 18, however, shall not work during night hours and must not be exposed to situations that are hazardous or unsafe to their physical and mental health and development.

The SUPPLIER and its sub-suppliers shall develop, take part in and give their support to policies and remedial programmes for teen workers between 15 and 18 years old, to ensure that they attain an adequate level of education.

The SUPPLIER and its sub-suppliers shall ensure that age verification procedures are in place and only rely on official government identification documents and educational records.

## Forced Labour

**The SUPPLIER and its sub-suppliers shall prohibit the use of forced labour** or compulsory labour which shall be understood as work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. SUPPLIER, similarly to Gucci, shall ensure zero tolerance of it.

The SUPPLIER, as well as any employment agencies used by the supplier or by its sub-suppliers shall prohibit human trafficking, debt bondage or other form of slavery. Employment must be chosen freely.

SUPPLIER and its sub-supplier must not require employees to pay deposits, retain workers' identity documents, not withhold wages, must prohibit worker-paid recruitment fees, and not impose undue restrictions on the freedom of movement of workers in both their workplace and living quarters, if any.

Employees shall not be required to pay any fees associated with obtaining employment, either to the SUPPLIER itself or an agency involved in the recruitment process. If such recruitment fees have been paid by the employee, the SUPPLIER is responsible for covering these fees and reimbursing the workers.

SUPPLIER using agencies to employ or recruit permanent or temporary workforce must conduct robust due diligence to ensure full compliance with this requirement. Neither the company nor any other entity providing labour to the company shall withhold any portion of the employees' salaries and/or indemnities, except for the exceptions as described in the below paragraph "Living Wages" and nor shall they seize their property or documents with the purpose of forcing workers to continue their employment relationship with the company. Employees have the right to leave the workplace at the end of the standard working day or in case of medical or family emergencies and should be free to terminate their work contract upon a reasonable notice to the employer without penalties, as provided for by applicable law or international labour standards, whichever is more stringent.

The SUPPLIER and its sub-suppliers understand that vulnerable groups, such as international or internal migrant workers or illiterate workers, are particularly exposed to these risks, and require special attention. The SUPPLIER and its sub-suppliers shall be aligned with the "Gucci's statement on Modern Slavery Act" published on [www.gucci.com](http://www.gucci.com).

## Migrant Workers

**SUPPLIER and its sub-suppliers shall ensure that migrant workers are not discriminated** against and benefit from adequate protection under prevailing employment laws.

SUPPLIER and its sub-suppliers shall ensure for migrant workers the same rights and terms and conditions of employment as other workers.

SUPPLIER and its sub-suppliers must uphold the Dhaka Principles for Migration with Dignity (which are meant to enhance respect for the rights of migrant workers from the moment of recruitment, during employment, and through to safe return).

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## Occupational Health, Safety & Security

**The SUPPLIER and its sub-suppliers shall guarantee a safe and healthy workplace** and implement effective measures to prevent potential accidents and avoid jeopardising the workers' health and safety in the workplace.

In so doing, the supplier shall assess any specific risk present in the workplace and endeavour to reduce and mitigate the risk factors as far as reasonably practicable.

**The SUPPLIER and its sub-suppliers shall provide, free of charge, specific personal protective equipment** to its personnel and in accordance with applicable laws and ensure its correct use.

**The SUPPLIER and its sub-suppliers shall guarantee access to adequate hygienic sanitary facilities, separate if possible**, and, if workers are provided with housing, this must be clean, safe and be suitable to satisfy the workers' basic needs.

Moreover, the SUPPLIER and its sub-suppliers shall carry-out regular health & safety trainings to workers and managers. In order to ensure safety practices and equipment be used appropriately and help create a safe working culture. This training shall be repeated for new or reassigned workers. The SUPPLIER and its sub-suppliers shall also assess accident risks in order to identify risk factors and adopt preventive measures and also ensure that health and safety standards and guidelines are consistently applied.

The SUPPLIER and its sub-suppliers shall appoint a management representative tasked with ensuring a safe and healthy workplace environment for all personnel.

The SUPPLIER and its sub-suppliers shall guarantee that no children under the age of 18 nor pregnant women will be asked to carry out hazardous tasks.

The SUPPLIER and its sub-suppliers shall comply with the MRSI and PRSL requirements as described in the below paragraphs ("Compliance with the law" and "reduction of hazardous chemicals" paragraphs).

## Freedom of Association

**The SUPPLIER and its sub-suppliers shall guarantee the workers' rights to establish, participate in and organise trade unions** according to their own will and their right to bargain collectively through the trade unions to the full extent permitted by law. In the event that freedom of association and the right to bargain collectively is limited by law, the SUPPLIER and its sub-suppliers shall nonetheless allow its workers to freely elect their own representatives.

**In other words, the SUPPLIER and its sub-suppliers shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.**

The SUPPLIER and its sub-suppliers shall ensure that workers' representatives and any personnel engaged in organising workers are not exposed to discrimination, harassment, intimidation or retaliation due to their participation.

## Discrimination

**The SUPPLIER and its sub-suppliers shall not adopt or promote any form of discrimination or preferential treatment** in recruiting, remunerating, company benefits and services, providing training for, promoting and dismissing personnel (nor, if applicable, in how they treat them in retirement) on the basis of sex, age, gender identity, sexual orientation, pregnancy, ethnicity, nationality, social origin, religion, civil status, political opinion, trade union membership or activities, disability or HIV-AIDS status and other medical conditions. Coherently with the mission of Gucci, the SUPPLIER shall commit itself to promoting and developing the implementation of a long-term strategy aimed at creating an equitable workplace by putting in place positive actions geared towards women empowerment and inclusion of all types of diversity.

The SUPPLIER and its sub-suppliers understand that a special attention must be paid to vulnerable groups, such as women, LGBTQIA+ or migrant workers, the elderly, ethnic minorities, local communities and indigenous people all of whom are at heightened risk of discrimination.

## Women's Rights in the Workplace

**The SUPPLIER and its sub-suppliers are expected to develop women's skills and opportunities** and ensure that women and men receive equal pay for equal work. Workers must be free to take their paid primary care leave in accordance with applicable laws or above if set forth by existing company policies. The SUPPLIER and

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its-sub suppliers are encouraged to implement gender needs assessments with respect to their supply chain workers. They are also encouraged to establish dedicated actions towards pregnant women and mothers such as childcare support, additional paid primary care leave, adequate areas for breastfeeding/lactating.

## **Harassment and Violence**

The SUPPLIER and its sub-suppliers shall treat all its workers with dignity and respect. The SUPPLIER and its sub-suppliers shall commit to a workplace free of harassment and violence in any form and not incite or tolerate behaviours or practices leading to physical punishment, mental, psychological or physical coercion or verbal abuse against employees. Harassment and violence include conduct that is offensive, abusive, demeaning, intimidating or threatening, such as verbal abuse, negative stereotyping, unwelcome contact, unwelcome sexual advances or requests for sexual favours. Harassment and violence also include conduct directed at persons because of their sexual orientation or gender.

The SUPPLIER and its-sub suppliers must encourage workers to report concerns and address them effectively. The SUPPLIER and its sub-suppliers shall not engage in any conduct that is threatening, offensive or aimed at exploitation or sexual harassment, including gestures, language or physical contact, whether in the workplace or, if applicable, in residences or in other areas provided to workers by the company.

The SUPPLIER and its-sub suppliers understand that a special attention must be paid to vulnerable groups, such as women, LGBTQIA+ or migrant workers, all of whom are at heightened risk of violence and harassment. The SUPPLIER and its-sub suppliers understand that it is a good practice for the workers to be able to report concerns, notably through their own grievance mechanism if any.

## **Working Hours**

The SUPPLIER and its sub-suppliers shall comply with laws collective agreements, industry standards and international conventions, whichever provides the greatest protection for workers in terms of working hours, public holidays and vacations. A standard working week, except for overtime work, shall be in compliance with the applicable legal provisions but shall not exceed 48 hours. Working hours and rules shall be established by written contract with the employee. Employees shall have at least one day off after six consecutive working days.

Overtime work shall be voluntary and consensual and must be requested responsibly, taking into account the following factors: the extent, frequency and hours worked by individual workers and the workforce as a whole. Any exceptions to this rule shall only be allowed upon the occurrence of all of the following conditions:

- I. The work schedule provided by applicable law exceeds the above-mentioned limit;
- II. Collective bargaining agreement for flexible working hours exists with a limit of 12 hours per week. However, if the need of overtime work occurs due to the market demands within a short period of time, the SUPPLIER and its sub-suppliers may request overtime work subject to acceptance and in accordance with the established agreement;
- III. The Supplier or Sub-supplier can demonstrate that its request for overtime work is due to the occurrence of exceptional circumstances, such as unexpected production peaks, accidents or emergencies.

Overtime shall not be used to replace regular employment. As further indicated below, overtime shall always be compensated at a premium rate, and should not place the employee's health and safety at risk.

## **Living Wage**

The SUPPLIER and its sub-suppliers shall respect employees' rights to a living wage compensation and must ensure that the salary paid for a standard working week corresponds to legal standards or the minimum wage standards relevant to the sector and is in any event sufficient to satisfy the employee's basic needs, as well as providing a discretionary income.

Salary withholdings for disciplinary purposes shall not be allowed. Any exceptions to this rule will only be applicable upon the occurrence of both of the following conditions:

- I. salary withholdings for disciplinary reasons are permitted by national laws;

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II. said disciplinary measure is contemplated by a collective bargaining agreement in force.

The SUPPLIER and its sub-suppliers shall ensure that employees' salary and wage structures are clearly and duly specified in writing for each wage period. Moreover, the company must make sure that payment of salaries and wages complies with applicable laws and that payments are not made in cash but by other traceable means, whichever best suits the workers' wishes. The SUPPLIER and its sub-suppliers shall also ensure that workers are paid directly, in full, regularly and in a timely manner.

All overtime work shall be paid at a higher rate, as prescribed by national laws. However, in countries where overtime pay rates are not regulated by law or by collective bargaining agreements, overtime work shall be paid according to the prevailing standards in the sector, on conditions that are more favourable to the worker.

The SUPPLIER and its sub-suppliers shall not draw up agreements that provide off-the-books employment or fraudulent apprenticeship with the only purpose of avoiding the fulfilment of obligations to employees as prescribed by regulations applicable in the workplace and social security law. The SUPPLIER and its sub-supplier must work towards the payment of a living wage to their own employees, meaning that the remuneration received for a standard workweek is sufficient to afford a decent standard of living for the worker and his or her family.

## Fight against corruption

The SUPPLIER and its sub-suppliers shall not engage and shall prohibit any form of corruption, as required by all applicable legislation (including under French, Italian, UK and US law). To the extent possible, the SUPPLIER and its sub-suppliers should establish their own anti-corruption compliance program.

## Rights of indigenous peoples, local communities, and defenders of human rights and environmental rights

### (i) Right of Indigenous peoples and local communities

The SUPPLIER and its sub-suppliers that directly purchase their own raw materials shall commit to:

- Respecting the rights of workers, farmers and smallholders' rights, in line with the Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization (ILO) fundamental Conventions;
- Respecting the right to self-determination of indigenous peoples in line with the United Nations Declaration on the Rights of Indigenous Peoples.

SUPPLIER and its sub-suppliers shall not contribute to the discontinuation of artisan traditions and the communities that support them. They shall also not contribute to a war / conflict-driven economy.

### (ii) Human rights and environmental rights defenders

Considering the risks which environmental and human rights defenders might face, Gucci requires its suppliers to acknowledge their role in not inhibiting (such as intimidating) the activities of the aforementioned human and environmental rights defenders.

## Policy and Grievance Mechanism

The SUPPLIER and its sub-suppliers acknowledge that it is a good practice to have a policy commitment that states and explains to the employees what are the requirements to be followed and implemented in terms of conduct including but not limited to harassment, discrimination, vulnerable people, working hours, health and safety, working conditions, child labour, forced labour.

To the extent possible, the SUPPLIER and its sub-supplier should put in place an internal grievance mechanism open to at least their own employees and organized in accordance with the criteria mentioned in the Guiding Principles on Business and Human Rights, principle 31, in order to allow workers to voice questions or concerns they might face.

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The SUPPLIER's and its sub suppliers' employees also have the possibility to contact the Kering Alert System in order to raise question or concern. Employees shall know about this right.

To this end, the SUPPLIER and its sub suppliers shall display the documentation created for this purpose (flyer and poster) and downloadable via the dedicated website (<https://ethics-alert-system.kering.com>).

## Security of Operations

**The SUPPLIER and its sub-suppliers shall ensure that their operations be performed** in accordance with the Voluntary Principles on Security and Human Rights on private security and shall, in particular comply with the following principles:

- adopting policies regarding good behaviour and the use of force to prevent abuse and handling any misconduct or violations of human rights;
- providing services for prevention, protection, surveillance and defense and not engaging in activities that are within the exclusive competence of the police;
- it is forbidden to engage or hire persons involved in violations of human rights in the conduct of security services;
- the use of force is allowed only when it is strictly necessary and in proportion to the threat;
- utilizing services, technology and security as self-defense actions and not for offensive purposes.

## RESPECT FOR AND PROTECTION OF THE ENVIRONMENT

Further to Gucci's commitment on environmental protection and regeneration, Gucci expects the SUPPLIER and its sub-suppliers to:

- put in place policies, systems of management or other tools which make it possible to know, to measure, to deepen the environmental impacts resulting from the activities performed and to facilitate constant environmental improvements;
- promote transparency and responsibility on the environmental impacts resulting from the activities performed;
- embrace the precautionary principle whenever there is a lack of scientific certainty regarding environmental challenges, and act carefully and conservatively to minimise potential impacts;
- put in place policies, supply chain management systems and other tools to ensure that the production and sourcing of the SUPPLIER and its sub-suppliers do not cause deforestation or conversion of non-forest natural ecosystems, with a cut-off date of 2020 at the latest;
- provide evidence of transparency in all supply chains and incentivize any initiative addressing the traceability of product history, from the primary production of raw material until the final assembly of the finished product;
- use the natural resources conscientiously, monitoring where it's possible its own consumptions (water, electricity, gas, paper) and generated waste;
- improve water management, protect water sources, reduce water consumption and maintain water quality;
- ensure the proper management of waste and minimise scraps and wastewater production;
- protect biodiversity and maintain ecosystem functions, respecting protected wild flora and fauna in accordance with national and international laws and applying the most restrictive standards;
- promote the supply and consumption of local fair-trade food, reducing food waste and optimising the management of food surpluses.
- investigate innovation and new technologies to reduce the environmental impact of the activities and propose them to Gucci.

The SUPPLIER shall refer to [Kering Standards and Guidance for Sustainable Production](#), for more detailed guidelines on traceability, environmental management, chemical management, animal welfare and social best practices. This document is updated every year and published on [kering.com](#).

KERING and Gucci are setting up an evaluation of suppliers on these guidelines, which will be included in the

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Vendor Rating System of Gucci, whenever the Supplier is included into the Vendor Rating, or in other internal assessment system implemented by Gucci. Evidence of alignment with external certifications such as ISO 14001 is monitored and valued by Gucci.

## Compliance with the law

The SUPPLIER and its sub-suppliers shall comply with all applicable Environmental Laws.

The SUPPLIER and its sub-suppliers shall obtain and maintain all licenses, authorisations, certifications and approvals required under any applicable Environmental Laws.

Pursuant to the applicable Environmental Laws, the SUPPLIER and its sub-suppliers shall not use or incorporate any material which is not fully compliant with applicable Environmental Laws and standards. In addition, the SUPPLIER and its sub-suppliers undertake to comply with the Products Restricted Substance List (PRSL, list available here: [https://vendorportal.kering.com/web\\_it/login.html](https://vendorportal.kering.com/web_it/login.html) of Kering, according to the terms and provisions outlined in that list.

Gucci will have the right to assess from time to time, the level of compliance achieved by the supplier and provide, if necessary, additional instructions designed to improve it.

## Reduction of hazardous chemicals

Gucci and Kering Group are committed to ensuring that all hazardous chemicals have been eliminated from production processes. To this end, Gucci has adopted a Manufacturing Restricted Substances List or an MRSList. The Manufacturing Restricted Substances List (MRSList) is an Appendix to the supplier contract and online on Kering Vendor Portal : [https://vendorportal.kering.com/web\\_it/login.html](https://vendorportal.kering.com/web_it/login.html)

All chemicals listed in MRSList must not be intentionally used in production processes. There may be unintentional presence of impurities or trace amounts of these substances whose quantities cannot in any case exceed the chemical formulation limits specified in MRSList. The SUPPLIER shall put in place and implement process as specified in the contract Appendix on MRSList. Gucci reserves the right to carry out audits at the supplier's production sites to verify its chemicals management system and its compliance with the provisions of the MRSList.

Since 2015, Gucci has chaired the Sustainability Commission at The National Chamber for Italian Fashion, with the aim of guiding the implementation of actions and projects in the area of social and environmental responsibility. One of the first results was the issuance of guidelines for eco-toxicological requirements for clothing, leather goods, footwear and accessories, as a reference for the whole chain.

## Reduction of Greenhouse Gas Emissions

Gucci, through its parent company Kering, is committed to reduce its greenhouse gas emissions in line with a global goal of 1.5°C (Paris Agreement) through a commitment to targets, action and reporting in the Science-based Targets Framework. Gucci and Kering are further committed to achieve a 40% reduction in absolute of their GHG emissions for scopes 1, 2 and 3 of the GHG protocol by 2035 on a 2021 baseline.

This encompasses the whole supply chain and therefore requires collaboration and action by our SUPPLIERS to monitor energy consumption, report to Gucci and implement actions to improve efficiency and reduce GHG emissions.

- The SUPPLIER shall put in place policies and processes to monitoring of its own energy consumptions, for example, through systems like BMS (Building Management System) o BEMS (Building Energy Management System). These should also promote and track effectiveness of energy efficiency and emissions reductions programs.
- The SUPPLIER shall strive to implement and eventually gets certified according to an energy management system such as ISO 50001.
- The SUPPLIER shall share information on policies, processes and energy consumption with GUCCI.
- The SUPPLIER shall actively work on phasing out coal from owned and supplier sites, this means not installing new coal-fired boilers or other sources of coal-fired heat and power generation and electrifying existing coal-powered systems.
- The SUPPLIER shall make every effort to move all electricity to renewable sources. This may be through

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direct procurement, certificate purchase and installation of renewable energy generation such as through photovoltaic plants as well as other innovations such as co-generation of heat and electricity.

- The SUPPLIER shall put in place actions and programs to improve energy efficiency and will be expected to report on these programs to Gucci.
- The SUPPLIER shall make every effort on sustainable management of transportation systems, promoting more sustainable alternatives such as electric, hybrid, methane or bio- methane fuelled vehicles.
- The SUPPLIER shall have a clear path of reduction of their scope 1 and scope 2 emissions, in line with science-based targets.
- The SUPPLIER is encouraged to report to CDP (Carbon Disclosure Project) Climate and share its reports with Gucci, to facilitate monitoring of climate-related targets and progress.

## Animal Welfare

Gucci is deeply committed to embedding sustainability across our business activities and supply chains. When it comes to animal-derived products, this means ensuring care and respect for animals in Gucci's supply chains. As such Kering has developed a suite of animal welfare standards for the Group's suppliers at farms and processing facilities. The [Kering Animal Welfare Standards](#) have been developed with input from animal welfare experts and from farmers and herders. They are based on the latest scientific researches as well as legislation, comparative standards, best management practices and guidelines from different sectors.

The [Kering Animal Welfare Standards](#) encompass all the species in all the regions around the world that are part of Kering's supply chains.

For the livestock animals which provide fibre and leather materials for the Group's products there are also comprehensive standards available within each overview. These detailed standards are available upon request and include:

- Cattle
- Calf
- Sheep
- Goat

Additionally, where end of life of animals happens beyond farms and in abattoirs, Kering has separate guidelines for abattoir best practices, also available upon request.

The Kering Animal Welfare Standards are structured in three tiers (Bronze, Silver and Gold) to provide clear guidance on critical compliance and with the goal of driving continuous improvement to the very best standards in animal welfare by our suppliers, and beyond.

- Bronze: entry-level and the minimum level of compliance for Gucci suppliers. Bronze level equals or goes beyond best practice implementation of European regulations on animal welfare. At the Bronze level the good practices that are enshrined in these regulations are put into practice on farms globally;
- Silver: offers more stringent standards that include the best practices in animal welfare in the industry;
- Gold: is considered "best in class" practices that go beyond best practices and have the ability to transform the industry.

Kering has made an extensive review of existing regional and international standards and consequently we have an approach for the verification of our suppliers that can be based on a number of existing standards and certifications. Therefore, not every supplier will need to be verified against the Kering Animal Welfare Standards if other certifications and verification procedures recognized by Kering are in place. However, this implies that **SUPPLIERS will need to be able to demonstrate traceability within their supply chain down to slaughterhouse/processing facilities and map the different certifications in place in their supply chain.**

A list of such 3rd party standards and their equivalency with the requirements from Kering is available in the Kering Animal Welfare Standards.

Gucci and Kering recognize that these standards are setting a new precedent for animal welfare and, as such, will take time and effort to implement. Accordingly, we are approaching the implementation of the standards

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in a collaborative manner with our suppliers, with the expectation that all our suppliers commit to the Kering Animal Welfare Standards and make continuous improvements.

It's possible to request the comprehensive of the Kering animal welfare standards from [sustainability.standards@kering.com](mailto:sustainability.standards@kering.com).

For more details, make reference to the document "Animal welfare Standards" published on [www.kering.com](http://www.kering.com).

## **Biodiversity Protection and Promotion of Regenerative Agriculture**

In 2020, Gucci through its parent company Kering committed to have a net positive impact on biodiversity by 2025. This will be accomplished through a suite of activities, including increasing our sourcing of sustainable raw materials, working directly with farmers to transition to regenerative agricultural practices through the Regenerative Fund for Nature, and continuing our investments into ecosystems that are critical for biodiversity and carbon.

When it comes to sourcing, Kering 2020 Biodiversity Strategy outlines several key commitments. While many of these are embedded throughout the following material-specific sections, suppliers are expected to comply with the following:

- Ensure that all plant and animal-based raw materials in our supply chain come from legal, verifiable sources at a minimum, closely adhering to guidance issued under CITES, the IUCN Red List, and other relevant national and international conventions.
- Halt all deforestation and conversion of natural ecosystems (see below).

Finally, in order to shift farm-level production practices towards net positive environmental impacts, we encourage suppliers to seek out materials produced through regenerative agricultural practices. While there are a few certifications currently in use, this is still a relatively nascent area, and we therefore invite suppliers to get in touch at [csrofficer@gucci.com](mailto:csrofficer@gucci.com) as needed.

## **No deforestation or conversion**

In 2023, the European Union has introduced the EU Deforestation Regulation (EUDR), aimed at preventing the import and trade of commodities and products linked to deforestation and forest degradation, bringing key materials such as leather, rubber, wood and derived products (e.g., paper packaging) under close scrutiny. Suppliers placing these commodities on the EU market or exporting from it must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation. Similarly, in the United Kingdom (Environment Act) and in the United States (FOREST Act), upcoming regulations are focusing on curbing deforestation and protecting natural ecosystems. Suppliers are required to be fully compliant with the EUDR (including by tracing and disclosing the origin of their commodities in scope), and to take a forward-looking approach in anticipation of future regulatory developments.

Gucci's commitments, as part of its and Kering Biodiversity Strategy, extend beyond these regulatory requirements. The company has adopted a comprehensive no-deforestation and no-conversion policy for all raw materials, products and packaging, including additional materials such as animal fibers and plant fibers. This commitment covers all natural ecosystems, including but not limited to natural forests, Ancient and Endangered forests, and those ecosystems that meet the criteria of key biodiversity areas and high conservation value areas (including high carbon stock or irrecoverable carbon areas). This commitment includes a backdrop cut-off date of 1st January 2020. Gucci approach upholds and exceeds existing regulations and industry initiatives, including maintaining earlier benchmarks like the 1994 cut-off for paper-based packaging.

In case of any doubt, suppliers are requested to contact Gucci immediately to work together on assessing deforestation/conversion risk and agree on actions or alternatives. More information can be found in Kering's Biodiversity Strategy.

Suppliers are encouraged to report to CDP (Carbon Disclosure Project) Forests and share their reports with Gucci, to facilitate monitoring of targets and progress towards halting deforestation and conversion.

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## Alignment with Nagoya Protocol

For all natural raw materials, SUPPLIERS and sub-suppliers (all the way to origin) shall be able to provide evidence (through due diligence assessments, documentation, verification and/or certifications) of full legality of the production, research and development, manufacturing and trading steps with local, national and international laws, in line with the Convention on Biological Diversity and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. In particular, SUPPLIERS shall gather from the sub-suppliers and provide to Gucci the list of ingredients / raw materials that are under the scope of the Nagoya Protocol, as well as their status of conformity with local, national and international laws.

This includes ensuring that any plant or other biological material in the raw materials are accessed and utilized in a legal and sustainable manner, and that any benefits arising from their use are shared in a fair and equitable manner, in line with local laws and regulations and, preferably, with the Indigenous Peoples and Local Communities (IPLCs) in the areas from which these raw materials originate. Their prior informed consent must be secured in line with local laws and regulations and in relation to any traditional knowledge, innovations, and practices involved.

## Circularity

Gucci is committed to making its business practices more circular by ensuring that the production, supply chain practices, and technologies have an effective use of resources, do not generate additional waste on top of the normal activity and create products that retain their value over time. Circular economy requires to make all efforts to 1) avoid, 2) reduce, 3) reuse and 4) recycle resources all along the manufacturing processes.

Gucci expects suppliers and sub-suppliers to apply a similar approach, in particular in relation to:

- optimizing waste management and minimizing waste production at all steps of the process, implementing best practices whenever possible such as the reuse of scraps and leftovers;
- managing carefully chemicals, as presented in the section "reduction of hazardous chemicals";
- managing packaging as presented in the section "packaging and visual tools";
- promoting the use of recycled content materials, as presented in the section "sourcing of materials".

For more details, make reference to the "Guidance for Circular Economy" of the Kering Standards available on [kering.com](http://kering.com).

## Water

Gucci is committed to use water sustainably, to prioritise suppliers that have conducted water risk assessments and adopted water stewardship programmes for their production and manufacturing.

- All suppliers and sub-suppliers shall provide information about water stress assessments for all sites involved in production for Gucci (following internationally recognised frameworks, such as WRI's Aqueduct Water Risk Framework or the WWF Water Risk Filter).
- All suppliers shall develop a robust water stewardship programme covering the water basins affected by their operations and their sub-suppliers' operations. This water stewardship programme must cover both water use and water quality, and it should be centered on water-related risks to people, rather than solely water-related risks to the business (assessing any actual and potential impacts on affected stakeholders). It should include measures such as, where possible, setting up closed water cycles, privileging the use of rainwater, and robustly monitoring, managing and reporting on both water use and pollution. Suppliers are required to provide Gucci with information about their water stewardship programme, including water quality and quantity policies, targets and management systems, at watershed level, especially for production sites located in areas where water stress is high and/or freshwater health is low.
- Suppliers and sub-suppliers must ensure that water use does not infringe on access to water and sanitation for communities in which they operate.
- Suppliers are encouraged to report to CDP (Carbon Disclosure Project) Water and share their reports with Gucci, to facilitate monitoring of targets and progress on water use and water quality.

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## SOURCING OF MATERIALS

Compliance with the Sustainability Principles shall be ensured throughout the supply chain.

**The following materials are concerned by these Principles:**

### Leather

**The SUPPLIER and its sub-suppliers shall:**

- put in place policies, supply chain management systems and other tools to ensure that there has been no deforestation or conversion of natural ecosystems in the cattle farms that the animals have transited through from birth to slaughterhouse, with a cut-off date of 2020 at the latest. This can for instance be done by ensuring:
  - Traceability to a low-risk subnational area,
  - Full traceability through all indirect farms and verification of no deforestation or conversion,
  - Traceability to the slaughterhouse and audit of deforestation- and conversion-free safeguards of the slaughterhouse,
- Third-party certification of leather guaranteeing deforestation- and conversion-free compliance, ensure complete transparency of leathers from farming to any single tanning processes: be able to provide location and name of both finishing and upstream tanneries, name and location (country, region) of slaughterhouses, location (country, area) of the farms;
- ensure compliance with the animal welfare standards throughout the supply chain in line with what is provided in the section "Kering Animal Welfare Standards" and with minimal impact on the environment and biodiversity. For more details, make reference to the paragraph "Indicative List of preferred Sourcing Countries for Leather" under the section "Leather" of the "Kering Standards and Guidance for Sustainable Production" document published on [www.kering.com](http://www.kering.com);
- use, if possible, leather that comes from animals which have been raised by farmers following regenerative livestock practices (including, but not limited to the Savory Institute Land to Market Program);
- propose metal-free options throughout all the tanning processes for the product supplied to Gucci;
- Carefully monitor and minimize the formation of Chromium VI. Chromium VI, known for genotoxic and carcinogenic properties, can be formed during leather tanning if not managed properly. By following tanning best practices, Chromium VI formation can be minimized or eliminated. Gucci requires that all tanning suppliers have a program in place to ensure that best practices are being fully implemented to minimize or eliminate the formation of Chromium VI;
- provide, in accordance with the procedures set out by Gucci, all the information listed above.

### Precious Skins

**The SUPPLIER and its sub-suppliers shall:**

- not use animal skins from species that are listed in the IUCN Red List as: "near threatened", "vulnerable", "endangered" or "critically endangered";
- ensure that all species listed in CITES Appendices have the appropriate CITES permits that have been verified by the supplier;
- guarantee that they do not trade in (buy or sell) illegal species (i.e. CITES Appendix I) and that all trade in skins complies with local and international laws;
- ensure compliance with the animal welfare standards throughout the supply chain in line with what is provided in the section "Kering Animal Welfare Standards";
- ensure complete traceability of skins from the animal breeding or capturing operations to any single tanning processes;
- source preferentially through captive-breeding operations that can be verified by third parties when their countries have well-established and enforced legislation covering animal welfare and trade. For more details, make reference to the paragraph "Indicative list of preferred sources of Precious Skins" under the section "Precious Skins" of the "Kering Standards and Guidance for Sustainable Production" document published on [www.kering.com](http://www.kering.com);

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- propose metal-free options throughout all the tanning processes for the product supplied to Gucci;
- Carefully monitor and minimize the formation of Chromium VI. Chromium VI, known for genotoxic and carcinogenic properties, can be formed during leather tanning if not managed properly. By following tanning best practices, Chromium VI formation can be minimized or eliminated. Gucci requires that all tanning suppliers have a program in place to ensure that best practices are being fully implemented to minimize or eliminate the formation of Chromium VI;
- provide, in accordance with the procedures set out by Gucci, all the information listed above.

## **Fur free**

On October 2017, Gucci announced that it would no longer use, promote or publicize animal fur beginning with its Spring Summer 2018 collection. As a commitment and thanks to a long-term partnership with LAV and The Humane Society, Gucci has joined the Fur Free Retailer Program. According to the "Fur-Free Alliance" and the "Fur Free Retailer Program", fur means any animal skin or part of it comprised of the relevant hair and fur fibers, either in its raw or processed status, that comes from animals bred or captured specifically for their fur.

Note that shearling and other hides with hair from livestock are covered in the section "Leather".

**The SUPPLIER and its sub-suppliers shall not use any fur for Gucci products.**

## **Natural Rubber**

Natural rubber generally comes from Hevea sp of trees and is sourced from plantations in South East Asia and/or South America.

**The SUPPLIER and its sub-suppliers shall:**

- Know the source of the natural rubber along with information on location of transformation processes and share this information with Gucci;
- Source rubber that is 3rd party certified to a robust standard that notably guarantees no deforestation or conversion (e.g., FSC 100%).

## **Wood, Paper and Derived Products**

**The SUPPLIER and its sub-suppliers shall:**

- ensure that all wood, paper and derived products sourced:
  - are FSC Recycled certified or FSC 100% certified;
  - or use next generation materials (e.g., agricultural residues from wheat or rice straw) with deforestation-free certification for the feedstock (e.g., Roundtable on Sustainable Biomaterials);
  - Where neither of these are available, FSC Mix may be used.
- make sure paper and paper products are processed without chlorine.

## **Cellulosic fibers**

**The SUPPLIER and its sub-suppliers shall ensure that all cellulosic fibers sourced are:**

- Forest Stewardship Council (FSC) 100% certified or FSC Mix if from wood pulp, and Recycled Claim Standard (RCS) certified if from recycled materials or agricultural residues;
- coming from pulp suppliers that have achieved the highest possible rating ("dark green shirt") on Canopy's Hot Button annual report;
- made from a closed-loop chemical management system, whereby the used chemicals are recovered and reused in the production process and are not released in the environment and potentially harm workers.

Suppliers are also required to provide, in accordance with the procedures set out by Gucci, any information about the origin of raw materials and transformation processes of the whole supply chain. The information must include at least: name and location of finished product manufacturer, of textile dyeing manufacturer, of

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textile weaving/knitting company of fiber producer, country of pulp producer, country and company name of recycled fiber producer for recycled content.

## Plastics

The SUPPLIER and its sub-suppliers shall:

- not use PVC and oxo-fragmentable plastics;
- eliminate unnecessary plastics and reduce plastic volumes as much as possible;
- prefer plastics that are made of a certified recycled content in accordance with the Global Recycled Standard (GRS) or similar certifications;
- biobased plastics are a second option and need to be certified to one of the following certifications: DIN CERTCO biobased, OK Bio-based TUV. Prefer biobased plastics made with feedstock that is not a food source, and which has not been genetically modified. Make every reasonable effort to adopt the following certifications for biobased plastics, attesting the biomass management (including land management): Roundtable on Sustainable Biomaterials (RSB), International Sustainability & Carbon Certification (ISCC+), and/or Forest Stewardship Council (FSC) (for forest-derived feedstocks);
- when it comes to the end of life of the plastics, prefer reusable or recyclable plastics (in practice and at scale) in order to avoid by all means single use plastics;
- avoid the use nano-plastics (plastic micro particles) plastics;
- provide, in accordance with the procedures set out by Gucci, information on the origin of raw materials, cropping/harvesting areas, any type of recycled material (pre-consumer, post-consumer, etc.) and transformation processes (details of the processes, location and names of the suppliers concerned).

## Synthetic Fibers

The SUPPLIER and its sub-suppliers shall:

- prioritize primarily the use of recycled synthetics that are certified to Global Recycled Standard (GRS);
- biobased synthetics are a second option, and need to be certified to one of the following bio-based carbon certifications: OK Bio-based TUV, DIN CERTCO biobased;
- provide, any information about origin of fiber and yarn and transformation processes of the whole supply chain. The information must include at least: name and location of finished product manufacturer, of textile dyeing manufacturer, of textile weaving/knitting manufacturer, of synthetic polymer producer (chips), country of origin of recycled fiber producer, country of origin of bio-feedstock;
- reduce the use of non-recyclable synthetics;
- implement mitigation measures to reduce microfiber leakage at the manufacturing phases, such as:
  - prefer continuous and/or reinforced fibers
  - use dyeing, finishing and cutting process that preserve fiber yarn strength and reduce fiber irregularities
  - choose washing process that allow to reduce microfiber leakage (close-loop or microfiber filters)
  - increase pre-washing and filtering of finished product in the manufacturing plant.

Suppliers undertake to make every reasonable effort:

- ensure non-food competitive and non-GMO feedstock materials for bio-synthetics.
- adopt the following certifications for bio-synthetics attesting of the biomass management (including land management): Roundtable on Sustainable Biomaterials (RSB), International Sustainability & Carbon Certification (ISCC+), and/or Forest Stewardship Council (FSC) (for forest-derived feedstocks);
- avoid modacrylic considering Gucci aims at phasing out modacrylic from its collections and products by 2025.

## Cotton

The SUPPLIER and its sub-suppliers shall:

- not purchase cotton from Uzbekistan, Syria, Turkmenistan or any other country which is considered to be at

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high risk due to the use of child labour, forced labour or any other violation of the human rights;

- prioritize primarily the use of recycled cotton that is certified to Global Recycled Standard (GRS);
- source in order of preference:
  - cotton which has been grown using organic regenerative farming practices referring to the following certifications: Regenerative Organic Certified (ROC), Ecological Outcomes Verification (EOV), Regenagri combined with GOTS certification. Suppliers should prioritize sourcing from the Kering Regenerative Cotton Program implemented by the Organic Cotton Accelerator (OCA);
  - fibers, yarn and/or fabrics that have the following certifications: Global Organic Textile Standard (GOTS); Organic Content Standard (OCS) 100 combined with GOTS, Fairtrade, OEKO-TEX® Organic;
  - cotton which comes from verifiable in-conversion / in-transition organic cotton programs;
- provide, in accordance with the procedures set out by Gucci, any information about origin of fiber and yarn and transformation processes of the whole supply chain. The information must include at least name and location of finished product manufacturer, of textile dyeing manufacturer, of textile weaving/knitting manufacturer, location (country, area) of origin of cotton (i.e., U.S.A. / California), country of recycled fiber producer for recycled content.

## Cashmere

The SUPPLIER and its sub-suppliers shall:

- prioritize primarily the use of recycled cashmere that is certified to Global Recycled Standard (GRS);
- prioritize sourcing from the Kering Regenerative Cashmere Program (formerly South Gobi Cashmere) in Mongolia implemented by the Good Growth Company;
- source cashmere certified with one of the following certifications: in case of Mongolia, Sustainable Cashmere certification S3C by Agronomes & Vétérinaires Sans Frontières (AVSF); in the case of China, Good Cashmere Standard by the "Aid for Trade" Foundation; for other countries other possible certifications are EU Organic Certification Regulations 2018/848 and 889/2008, Global Organic Textile Standard (GOTS);
- provide, in accordance with the procedures set out by Gucci, any information about origin of fiber and yarn and transformation processes of the whole supply chain. The information must include at least: name and location of livestock farmer (herders, Pasture User Groups and/or cooperatives), of sorting and/or dehairing manufacturer, of processor and/or spinner, of finished product manufacturer, of textile dyeing manufacturer, of textile weaving/knitting manufacturer, name and location of recycled fiber producer for recycled content.

## Wool

The SUPPLIER and its sub-suppliers shall:

- prioritize primarily the use of recycled wool that is certified to Global Recycled Standard (GRS);
- prefer fibers, yarn and/or fabrics that are Global Organic Textile Standard (GOTS), Responsible Wool Standard (RWS), ZQ, Nativa, New Merino, Abelusi, Sustainable Cape Wool certified;
- source wool coming from non-mulesed animals. If sourcing any wool coming from mulesed animal the SUPPLIER shall provide: a justification for the use of mulesing, a clear exit-plan to end mulesing by December 2024 and proof that pain-relief is systematically used when mulesing;
- prefer wool fiber which has been produced by growers following regenerative livestock practices (including, but not limited to the Kering Regenerative Wool Program the Savory Institute Land to Market Program or ZQRX);
- provide, in accordance with the procedures set out by Gucci, any information about origin of fiber and yarn and transformation processes of the whole supply chain. The information must include at least: name and location of finished product manufacturer, of textile dyeing manufacturer, of textile weaving/knitting manufacturer, country of origin of wool (i.e., Australia), country of recycled fiber producer for recycled content.

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## Silk

The SUPPLIER and its sub-suppliers shall:

- prefer fibers, yarns and/or fabrics that are Global Organic Textile Standards (GOTS) certified or recycled fibers that are Global Recycling Standard (GRS) certified;
- provide, in accordance with the procedures set out by Gucci, any information about origin of fiber and yarn and transformation processes of the whole supply chain. The information must include at least: name and location of finished product manufacturer, of textile dyeing manufacturer, of textile weaving/knitting manufacturer, country of origin of silk, country of recycled fiber producer for recycled content.

## Other Animal Fibers

The SUPPLIER and its sub-suppliers shall:

- ensure that animal farming has not led to recent conversion of sensitive and important ecosystems and is not seriously degrading the land through soil erosion and chemical inputs;
- guarantee the respect of the animal welfare criteria in accordance with what it's in the section Kering Animal Welfare Standards;
- use, if possible, fibers, yarn and/or fabrics that are Global Organic Textile Standard (GOTS) certified or recycled fibers Global Recycling Standard (GRS) certified;
- provide, in accordance with the procedures set out by Gucci, information on the origin of raw materials, farming areas and transformation processes (detail of the processes, location and names of the suppliers concerned);
- not use fibers, fur or skins from fur-bearing animals, meaning animals that have been raised, trapped or hunted primarily for their pelt.

## Down and Feather

The SUPPLIER and its sub-suppliers shall:

- ensure that feathers or downs are Responsible Down Standard (RDS)/Traceable Down Standard (TDS) certified or adopt, maintain and verify a sourcing policy that ensures there has been no live plucking and the animals have not undergone force-feeding;
- wherever possible, use recycled down with GRS certification;
- ensure complete transparency of raw materials from farming to every stage of the transformation processes;
- provide, in accordance with the procedures set out by Gucci, information on the origin of the raw materials, scientific name, method of collection, provenance from farms for food purposes, name and country of the slaughterhouse/farm;
  - Sustainability Certifications
  - Adoption of voluntary animal welfare practices.

**Specifically, for ostrich feathers, the SUPPLIER and its sub-suppliers shall also:**

- ensure that feathers are certified according to the SAOBC Ostrich Production Requirements or adopt, maintain and verify a sourcing policy that ensures there has been no live plucking;
- ensure complete traceability of raw materials from farming to every stage of the transformation processes.

## Diamonds

The SUPPLIER and its subcontractors shall endeavor, as of now, to provide Gucci with diamonds or products containing diamonds (including "center" stones and "mélée" stones) that comply with the following requirements:

- In their commercial relationships with diamond suppliers, Gucci will ask for the RJC Code of Practices (COP) certification of their direct diamond suppliers, with the aim of investigating upstream levels of the

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supply chain. The RJC COP certification of indirect upstream suppliers (tier 2 or above) is positively valued, ideally all the way to extraction levels.

- The invoice for diamonds must be accompanied by a declaration issued by the System of Warranties of the World Diamond Council (which is applicable to cut and polished diamonds of the Kimberly Process) stating that:

"The diamonds invoiced herein have been purchased from legitimate sources, not involved in the funding of conflicts and in compliance with United Nations resolutions and corresponding national laws where the invoice is generated. The seller represents and warrants that these diamonds are not sourced from conflict-affected environments, either based on its personal knowledge and/or written guarantees from the SUPPLIER of these diamonds and confirms adherence to the World Diamond Council System of Warranties Guidelines".

- The invoice and/or accompanying documents of diamonds must contain a declaration, in line with the "Charter on Disclosure of Synthetic, Treated Natural and Natural Diamonds" of the World Federation of Diamond Bourses, which shall include the following information:
  - a proper description of the type of diamonds indicating whether they are natural, processed or synthetic and whether they are rough or polished.
  - a specific statement for natural diamonds: "The diamonds herein invoiced are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the SUPPLIER of these diamonds".

Suppliers of diamonds also undertake to make every reasonable effort to provide Gucci with additional information about the diamonds supply chain. Such information may include, by way of example and not limited to, the following elements:

- Where diamonds are mined and by whom;
- Who has traded diamonds and where;
- Who has cut and processed diamonds and where;
- Evidence ensuring application of ethical standards or initiatives throughout the supply chain (e.g., the Kimberley Process, the World Diamond Council System of Warranties, RJC certifications, the De Beers Best Practice Principles or other relevant standards and private initiatives such as CanadaMark™ or Forevermark).

Suppliers of diamonds must also ensure that none of the diamonds supplied to Gucci are derived from deep seabed mining.

Suppliers are also encouraged to investigate emerging traceability solutions.

Last but not least, Gucci encourages its suppliers and their sub-suppliers to actively participate in the Watch & Jewellery Initiative 2030 (W&JI2030). As one of the two founders of the Watch & Jewellery Initiative 2030, Gucci expects that all suppliers to its Houses align with the initiative's mission and actively participate in it.

## Coloured Gemstones

The SUPPLIER and its sub suppliers shall:

- engage with their colored gemstones supply chain on greater transparency and improved environmental and social impact, both for center stones and also for "melées" colored gemstones;
- ensure stones do not come from activities or organizations sponsoring conflicts, terrorism or devoted to the violation of human rights and avoid obtaining supply of stones coming from war zones;
- adopt internationally recognized certifications related to the integrity of the processes and of the supply chain of precious metals and stones (for example RJC COP - Responsible Jewellery Council - Code of Practice);
- make all reasonable efforts to provide Gucci with information when requested about the origin and the journey of the coloured gemstones that they supply to Gucci and the due diligence system applied. This information may include, but is not limited, to the following examples:
  - Who has supplied the stone (this applies both to directly and indirectly sourced stones, i.e., direct purchases from stone suppliers, and purchases of finished products containing colored gemstones),

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- Who has cut and polished the colored gemstones and where,
- Who has traded the colored gemstones and where,
- Where the colored gemstones were mined and by whom,
- What ethical standards or initiatives have been applied to the mining and processing of the colored gemstones and for the people who handle them during each step of the supply chain (i.e. RJC certifications or other relevant standards and private initiatives as the case may be).
- implement due diligence processes in their supply chains to assess and reduce risks in relation to regulatory requirements, human rights violations, child labor, health and safety, environmental impact and criminal or conflict activity. Share the results with Gucci when requested. On demand, use due diligence tools such as the ones developed by the Colored Gemstones Working Group;
- provide Gucci with the sales invoice that encloses a statement regarding the origin of the stones from legitimate sources, not involved either in the funding of conflicts or violation of Human Rights and verified in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- actively participate in the Watch & Jewellery Initiative 2030 (W&JI2030). As one of the two founders of the Watch & Jewellery Initiative 2030, Gucci expects that all suppliers to its Houses align with the initiative's mission and actively participate in it.

## Gold

The SUPPLIER and its sub suppliers shall provide, as of now, Gucci with only gold or products containing gold that meet at least one of the following requirements:

- gold is purchased from one or more suppliers through the Kering Precious Metals Platform (PMP). This platform has been developed to create an innovative way to source gold and other precious metals (silver, platinum and palladium) in an ethical, responsible and transparent manner. The platform enables Kering Houses to source responsible gold directly from selected refiners, or indirectly through components or finished products suppliers. The platform is designed to fit both sourcing avenues. The types of gold allowed under the Platform include:
  - Fairtrade and Fairmined gold,
  - Gold from artisanal, small-scale mines (ASM) verified by Kering,
  - 100% e-waste recycled gold, verified by Kering,
  - RJC CoC certified recycled gold from e-waste and jewelry.
- The preferred gold sourcing route for Gucci and Kering Houses is the PMP (see above) – however, in the exceptional eventuality that purchasing through the PMP is not possible, suppliers must purchase gold through refineries which can provide evidence that they meet all of the criteria below:
  - Supply solely gold fitting one of the categories permitted under the PMP (see above),
  - Meet all legal requirements and fully implement the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,
  - Ensure human rights are respected in the entire gold supply chain,
  - Allow inspection and auditing (including physical and document-based inspections).

Additionally, the SUPPLIER and its subcontractors shall:

- Demonstrate best efforts to achieve complete transparency of gold from mining through to all transformation steps;
- Provide, in accordance with the procedures set out by Gucci, information on the origins and the journey of the gold. This information may include but is not limited to:
  - Where gold is mined and by whom,
  - Who has traded gold and where,
  - Who has refined gold and where,
  - What social and environmental standards or initiatives have been applied to mining operations and to entities that handle gold during each step of the supply chain (e.g. RJC certifications, Fairmined or

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Fairtrade certifications, OECD Guidance and Supplement on Gold applications, CRAFT or other relevant standards and initiatives such as the LBMA, IRMA and RBA-RMI programs).

Suppliers must be able to provide documentation that verifies the information above, including for instance transaction certificates, audit reports, or other forms of third-party verification.

- Include in the sale invoice to Gucci a statement about the origin of gold from legitimate sources, not involved in the funding of conflicts in compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This statement, in case of RJC CoC-certified gold, may be replaced by the Transfer Document attached to the invoice;
- minimize environmental impact and use of hazardous chemicals throughout the entire production processes, from raw material to the products supplied to Gucci;
- Actively participate in the Watch & Jewellery Initiative 2030 (W&JI2030): as one of the two founders of the Watch & Jewellery Initiative 2030, Gucci expects that all suppliers align with the initiative's mission and actively participate in it.
- provide, in accordance with the procedures set out by Gucci, a Transfer Document attached to the invoice and/or shipping document certifying the final jewelry products as RJC CoC Gold.

## Silver and Other Precious Metals

**The SUPPLIER and its sub suppliers shall provide, as of now, Gucci with silver** (as well as platinum and palladium) through the Kering Precious Metals Platform (PMP). Sourcing options within the platform include:

- Recycled silver from RJC CoC certified suppliers,
- Fairtrade or Fairmined silver

The preferred precious metals sourcing route for Gucci is the PMP (see above) – however, in the exceptional eventuality that purchasing through the PMP is not possible, suppliers must purchase precious metals through refineries which can provide evidence that they meet all of the criteria below:

- When it comes to silver, supply either recycled silver from RJC CoC certified suppliers, or Fairtrade/Fairmined certified silver;
- Meet all legal requirements and fully implement the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- Ensure human rights are respected in the entire supply chain;
- Allow inspection and auditing (including physical and document-based inspections).

**The SUPPLIER and its sub suppliers shall:**

- Demonstrate best efforts to achieve complete transparency of raw materials from mining through to each transformation step;
- provide, in accordance with the procedures set out by Gucci, information about the origins and journey of the raw materials, mining operations and transformation processes (type of the used metal, clue as to the bedrock, detail of the processes, location and names of the suppliers involved, which initiatives or ethical standards are applied to mining and refining of precious metals and to all those actors who process precious metals throughout any step of the supply chain);
- minimize environmental impact and use of hazardous chemicals throughout the entire production processes, from raw material to the product supplied to Gucci;
- provide Gucci with the sale invoice that encloses a statement regarding the origin of the metals and stones from legitimate sources, not involved either in the funding of conflicts or violation of Human Rights and verified in compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- provide, in accordance with the procedures set out by Gucci, a Transfer Document attached to the invoice

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and shipping document certifying the final jewelry products as RJC CoC metal.

## Other non-precious metals and alloys

The SUPPLIER and its sub suppliers shall:

- provide metals and alloys that come from legitimate activities, not involved in sponsoring conflicts, in the violation of human rights and exploitation of people; This includes demonstrating compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- minimize environmental impact and use of hazardous chemicals throughout the entire production processes, from raw material to the product supplied to Gucci;
- provide, in accordance with the procedures set out by Gucci, information on the origins and the journey of the raw materials, aiming for complete transparency of the supply chain.

## Nanomaterials

The SUPPLIER and its sub-suppliers shall not use any nanotechnology applications (products, raw materials, processes) unless such applications are analyzed and through a third-party expert review and proved to have no potential negative impact on human health and the environment, including an evaluation of end-of-life impacts.

## Perfumes and cosmetics

The SUPPLIER and its sub-suppliers shall not perform tests on animals for cosmetics and perfumes as well as for all the ingredients used in their manufacturing. Certain health authorities may nevertheless decide to commission animal tests themselves for certain cosmetic products in accordance with local legal and regulatory requirements.

The SUPPLIER and its sub-suppliers shall ensure that all palm oil used in cosmetics products sourced is certified according to the Roundtable on Sustainable Palm Oil (RSPO) standards.

Plastic microbeads should not be used in any products.

## PACKAGING AND VISUAL TOOLS

### Packaging

The SUPPLIER shall:

- Eliminate unnecessary packaging without compromising the quality and the purpose of the packaging itself;
- Not use PVC in packaging;
- Eliminate plastics in B to C single-use packaging (i.e., customer/client packaging) by replacing plastic with non-plastic alternatives (e.g.: using paper-based fillers instead of plastic fillers);
- Maximize the use of recycled or certified content: prefer material that are made with recycled content and certified (GRS is the preferred certification), specifically preferring post-consumer recycled material feedstock. If not possible, source material with bio-content, i.e., without any fossil/petrol content, and certified (OK Biobased or FSC, ...).
- In particular, all paper/cardboard shall either:
  - be certified FSC recycled;
  - use next generation materials (e.g., agricultural residues from wheat or rice straw) with DCF certification for the feedstock (e.g., Roundtable on Sustainable Biomaterials);
  - or be FSC 100% certified, or at least FSC Mix 70% and above.
- Eliminate single-use plastics in B-to-B packaging (i.e. logistics/transport packaging, that is not visible to the final client). This can be achieved in 3 ways:
  - either propose packaging that is not single-use, i.e. packaging that is reusable,
  - or replace plastic with non-plastic alternatives (e.g.: using paper-based polybags, or fillers instead of

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plastic),

- or use only "circular plastic packaging", meaning plastic that
  - o contains 100% recycled content with at least 30% post-consumer recycled content,
  - o is designed to be recycled,
  - o is collected and recycled in practice and at scale.
- For B-to-B flexible packaging (polybag, pouch, plastic bag, ...):
  - prefer alternative materials, such as paper based, rather than plastic,
  - in case of plastic packaging: use only recycled and transparent plastic, preferring LDPE materials, and limit printing to compulsory information only.
- Ensure packaging design is proven recyclable "in practice and at scale", that its main components (together representing >80% of the entire packaging weight) are recyclable and that the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components. In particular, all paper/cardboard shall be recyclable according to the standard EN13430, and plastic according to the Recyclclass certification.
- Ensure that packaging waste are sorted and recycled at all stages of logistics.

## Visual Tools

The SUPPLIER shall:

- not use PVC for visual tools;
- include the requirements on raw materials listed here-above when using these materials for the visual tools; in particular, use recycled materials whenever possible (recycled metal, wood, plastics, etc.)
- evaluate the renting of equipment that can be restored and reused afterwards as opposed to creating single-use equipment or decoration;
- in accordance to the creative aim and without limitation to this scope, propose designs of visual merchandising to improve disposability and enhance circularity, such as removable logos, single-material products (easier to recycle).

## **PROCUREMENT OF SERVICES**

### Catering and Beverages Catering

The SUPPLIER and its sub-suppliers shall provide food products that ensure the safety and health of the people who consume them. In addition to complying with applicable laws, the food product must also:

- if possible be obtained from non-GMO raw materials, containing no GMOs fractions and not produced from GMO;
- as much as possible hold third party certifications that ensure that the products were produced in a sustainable manner (i.e.: Organic certifications, FairTrade, ASC/MSC, RSPCO, Rainforest alliance, etc.).

The SUPPLIER shall strive to propose a food offering including plant-based options. When offering animal-derived food products the SUPPLIER shall ensure that these were produced with the highest respect of animal welfare, through third party sustainability certification.

Lastly, the SUPPLIER undertakes to build circularity into their food value chain, the SUPPLIER shall:

- reduce waste (production and post-consumer) and optimizing the management of food sur- pluses by, for example, giving them to local associations;
- prefer that food packaging;
  - is made from certified or recycled materials;
  - is recyclable and recycled in practice with a possibility to collect it in a dedicated bin;
  - excludes all single use-plastic packaging, cutlery, dishes, etc.

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## Products Cleaning and Care Services

The SUPPLIER and its sub-suppliers shall:

- Choose cleaning products without pictograms that identify the following risks: hazard, toxic, carcinogenic, mutagenic, toxic for reproduction (carcinogenic, mutagenic, reprotoxic [CMR]), corrosive or harmful to the environment. Where available, choose eco-labelled products (e.g. UL Ecologo, Green Seal, EPA Safer Choice Standard, EU Ecolabel and NF Environment);
- provide continued training to staff about the correct procedures to be used to perform the cleaning activities safely and reducing environmental impacts;
- use cleaning techniques and equipment that minimize the amount of cleaning products, water and electricity used, the amount of waste produced and that do not affect indoor air quality.

The [Kering Standard for Stores – Store Operation and Management](#) provide more information upon Gucci expectations on cleaning and care services in the section "Sustainable Cleaning Practices".

## Maintenance Services

The SUPPLIER and its sub-suppliers shall:

- use products and materials that do not contain potentially hazardous ingredients and that are readily biodegradable;
- use techniques and equipment that minimize the amount of materials, water and electricity used, the amount of waste produced and that reduce the impact on indoor air quality;
- evaluate the possibility to use an O&M software to track both preventive and reactive maintenance operations, use a ticketing system and regularly update technical documentation of Gucci's sites.

The [Kering Standard for Stores – Store Operation and Management](#), provide more information upon Gucci expectations on cleaning and care services in the section "Enhanced Maintenance".

## Transport Services

The SUPPLIER and its sub-suppliers shall endeavor to favour and offer sustainable systems of transport, for example by hybrid, electric, biomethane-fueled vehicles. Whenever possible:

- last mile deliveries and urban transportation of goods shall be done with zero-emission vehicles;
- suppliers shall propose low emissions solutions for medium and long-range transportation services;
- suppliers shall implement a system of tracking and reporting of greenhouse gases emissions of transportation services done on behalf of Gucci, which have to be provided to Gucci upon request.

## Services related to the design and realization of events

The SUPPLIER and its sub-suppliers involved in the design and realization of the events shall:

- get all the necessary authorizations for the event, engage in proactive dialog with key local stakeholders to learn about site specificities and to ensure buy-in from the local community; and if the site is in a natural environment, establish an environmental assessment and impact plan with external experts if needed;
- without compromising the creative aspect and with particularly respect to the set and scenography:
  - work as much as possible with local contractors to limit international transport of goods and to support local businesses;
  - favor the renting of equipment, furniture and material which may be returned or re-used afterward, as opposed to single-use equipment or decoration;
  - ensuring that the process to recycle the materials used for the installation and set-up is not dangerous for the health and safety of people involved;
  - favor the use of recycled materials to set up the staging; opt for the donation of equipment to external

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associations or third-party local entities;

- provide all the information and related technical sheets on the above-mentioned materials;
- provide information on how the SUPPLIER and its sub-suppliers intend to re-use, refurbish and recycle such materials.
- ensure that environmental aspects are managed properly when it comes to waste management, catering and transport;
- not make any use of protected or endangered animals.

## Casting agencies

The SUPPLIER and its sub-suppliers shall ensure the respect of "The charter on the working relations with fashion models and their well-being" and its update published on [www.kering.com](http://www.kering.com).

## SUSTAINABILITY REPORTING

Upon request from Gucci in order to ensure that the Sustainability Principles are actually applied, the SUPPLIER and its sub-suppliers shall provide:

- details on their environmental impacts and an annual communication about the performed activities and actions of improvement in terms of elimination, reduction as well as an eventual compensation of the residual environmental impacts;
- inventory of chemicals used during the production of Gucci's products;
- information regarding MRSI Compliance and MRSI implementation;
- information about sustainability programs, actions and progress;
- information regarding new SUPPLIERS or sub-suppliers used in the production process and sourcing;
- information regarding the application of nano-materials and/or nanotechnologies in the production processes;
- information regarding traceability and sourcing of raw materials used for Gucci production;
- information on how the SUPPLIER and its sub-suppliers intend to reuse, recondition and recycle the materials used for the staging of the events.

The SUPPLIER will be evaluated on its environmental performance based on the information provided to Gucci, and this will influence its Vendor rating or other internal assessment system implemented by Gucci. In case the supplier has access to "Kering Vendor Portal", most of this information will be collected through this channel upon invitation to the SUPPLIER, or in other internal assessment system implemented by Gucci.

For more details on the points listed above, refer to the "Kering Standards and Guidance for Sustainable Production" and "Kering Animal Welfare Standards" documents published on [www.kering.com](http://www.kering.com).

## NON-EXHAUSTIVE LIST OF RELEVANT STANDARDS AND ORGANISATIONS

- ILO (International Labour Organization): [www.ilo.org](http://www.ilo.org)
- IPCC (Intergovernmental Panel On Climate Change): [www.ipcc.ch](http://www.ipcc.ch)
- IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services]): <https://www.ipbes.net/>
- IMO (International Maritime Organization): [www.imo.org](http://www.imo.org)
- CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora): [www.cites.org](http://www.cites.org)
- IUCN Red List of Threatened Species: [www.iucn.org](http://www.iucn.org)
- OECD (Organisation for Economic Co-Operation and Development): [www.oecd.org](http://www.oecd.org)
- OECD Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High Risk Areas [mneguidelines.oecd.org/mining.htm](http://mneguidelines.oecd.org/mining.htm)
- Ramsar Convention: [www.ramsar.org](http://www.ramsar.org)

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- Geneva Conventions: [www.icrc.org](http://www.icrc.org)
- International Covenant on Economic, Social and Cultural Rights;
- International Covenant on Civil and Political Rights;
- UN (United Nations) Convention on the Rights of the Child;
- UN (United Nations) Convention on the Elimination of All Forms of Discrimination Against Women;
- UN (United Nations) Convention on the Elimination of All Forms of Racial Discrimination;
- UN Guiding Principles on Business and Human Rights;
- UN Global Compact 10 Principles;
- UN Sustainable Development Goals;
- UNDRIP UN principles in the Declaration of Human Rights and the United Nations Declaration on the Rights of Indigenous Peoples;
- Rio Declaration on Environment and Development: [www.unep.org/rio20](http://www.unep.org/rio20)
- UNCTAD (United Nations Conference on Trade and Development): [www.unctad.org](http://www.unctad.org)
- UNESCO (United Nations Educational, Scientific and Cultural Organization): [en.unesco.org/](http://en.unesco.org/)
- UNEP (United Nations Environment Program): [www.unep.org](http://www.unep.org)
- FAO (Food and Agriculture Organization): [www.fao.org](http://www.fao.org)
- Rotterdam Convention: [www.pic.int](http://www.pic.int)
- WCED (World Commission on Environment and Development): [sustainabledevelopment.un.org](http://sustainabledevelopment.un.org)
- The Fundamental Conventions of the International Labour Organisation (ILO)
  - The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87)
  - The Right to Organise and Collective Bargaining Convention, 1949, (No.98)
  - The Forced Labour Convention, 1930 (No.29) and its 2014 Protocol
  - The Abolition of Forced Labour Convention, 1957 (No.105)
  - The Minimum Age Convention, 1973 (No.138);
  - The Worst Forms of Child Labour Convention, 1999 (No.182)
  - The Equal Remuneration Convention, 1951 (No.100)
  - The Discrimination (Employment and Occupation) Convention, 1958 (No.111)
- The Ethical Trading Initiative (ETI) Base Code
- FLA Workplace Code of Conduct and Compliance Benchmarks
- Social Accountability International (SAI)
- Responsible Jewellery Council (RJC)
- Voluntary Principles on Security and Human Rights <http://www.voluntaryprinciples.org/>
- Gucci's statement on Modern Slavery Act document published on [www.gucci.com](http://www.gucci.com)
- Kering's Code of ethics document published on [www.kering.com](http://www.kering.com)
- Kering's Human Rights policy published on [www.kering.com](http://www.kering.com).

We therefore ask your company to commit to the following:

1. to comply with Sustainability Principles by signing and dating this document;
2. to provide, at our request, detailed information on programmes, actions and progress regarding the actual application of Gucci's Sustainability Principles;
3. to accept Audits, whether or not pre-announced, which our company is entitled to conduct directly or cause to be conducted in order to ensure that the Principles are being respected;
4. to implement any corrective steps and actions for improvement requested;
5. to provide up-to-date information regarding new SUPPLIERS or sub-suppliers used in the production process and sourcing;
6. to keep, and make available to the people instructed to conduct the audit, appropriate records to prove compliance with the Principles subscribed to;

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7. to communicate these Sustainability Principles to your sub-suppliers involved in the production, processing or/and procurement of materials, raw materials and services and ensure that they sign a document where they acknowledge and accept these Sustainability Principles, or create and sign an equivalent statement of compliance;
8. to require your sub-suppliers to undertake your company's obligations, including their willingness to accept inspection audits, checks and information requests from our company and/or from our representatives.

**We wish to point out that compliance with Sustainability Principles is an important assessment parameter in selecting our SUPPLIERS. Therefore, your failure to cooperate in determining and adopting corrective actions may result in the termination of our business relationship.**

**We are certain that your company will help us promote and implement these important values, which qualify us as an excellent operator, not only for the quality of our products, but also for our social, environmental and economical accountability to the communities where we operate.**

Sincerely yours, \_\_\_\_\_

(Company Name) \_\_\_\_\_

(Place and date) \_\_\_\_\_

(Stamp and signature of the Company legal representative) \_\_\_\_\_

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