

Gucci Modern Slavery Statement for the Financial year 2022

This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 (SB 657) and sets out the steps completed by Gucci to ensure slavery and human trafficking is not taking place in our supply chains or in any part of our business.

This statement covers notably Gucci Ltd, the Gucci company identified as reporting entity under the UK Modern Slavery Act 2015 and covers January 1, 2022 to December 31, 2022.

This statement is intended to complement the Modern Slavery Statement prepared by the Kering Group, which is publicly available on its website.

INTRODUCTION

At Gucci, we have a zero-tolerance approach to any form of Modern Slavery. We believe that protecting the dignity and rights of all people is paramount to good business. Therefore, we take it as our duty to be cognizant of the human rights concerns in our business and supply chains. It is within our core values to fight against exploitation and to strive toward eradication of forced, bonded, slave labour and human trafficking throughout our supply chain.

Gucci is committed to a Culture of Purpose, putting positive environmental and social impact at the very heart of the brand. As a company, we are resolved to manage the planet's finite resources, and build a culture in which our people respect these, and while doing so, are also free to innovate, create, and grow. We are committed to be a responsible business for all generations of today and tomorrow.

In June 2020, Gucci launched a new version of Gucci Equilibrium through the digital platforms equilibrium.gucci.com and a dedicated Instagram account aiming to inspire and unify a community of voices to join the conversations around topics that are increasingly critical in today's world. Defined by two pillars, People and Planet, Gucci Equilibrium encompasses Gucci's commitments and actions to reduce our environmental footprint and protect nature, while supporting people's rights and championing inclusivity and respect, so that everyone in the global Gucci community is free to express their authentic, diverse selves. In June 2022, Gucci published the second Gucci Equilibrium Impact Report on [Equilibrium.Gucci.com](https://equilibrium.gucci.com). The Gucci Equilibrium Impact Report has been designed to summarize the commitments, progress and actions taken by the House. Divided between two pillars, People and Planet, the Gucci Equilibrium Impact Report highlights a selection of initiatives that are translating the House's strategic vision into actions to drive lasting social impact and environmental stewardship.

OUR BUSINESS AND SUPPLY CHAIN

Gucci is a leading Italian luxury brand, retailing fashion and leather goods. Gucci is part of the Kering Group, a world leader in apparel and accessories that owns a portfolio of powerful luxury brands.

Gucci operates from its head office in Florence, Italy. With 528 directly operated stores, as well as having a large online-retail space, Gucci's offices and operations have an extensive global presence. The average number of employees is 20,711 (average full time equivalent). Over additional 20,000 people work indirectly for Gucci throughout our supply chain.

Gucci works with an international portfolio of suppliers. We have various direct suppliers around the world, although 95% of our manufacturers are based in Italy, meaning that 95% of our suppliers are covered by collective bargaining agreements (we use a small percentage of suppliers outside of Italy for specific phases of component production).

OUR POLICIES

Gucci's Sustainability Principles - Gucci prioritizes the well-being of our employees and partners and we are dedicated to enhancing the lives of all those involved in making our products through the responsible and innovative management of our supply chain. This commitment is shown in the Gucci Sustainability Principles, containing the following principles: respect for human rights, promotion of a quality working environment, contribution to socio-economic development, effective relations with stakeholders and continual supplier engagement. The Sustainability Principles are part of the contractual relationship with our suppliers.

In the pursuit of our commitment and approach to human and environmental concerns, Kering has developed and published dedicated **Standards & Guidance for Sustainable Production** (that are updated on an annual basis), as well as Animal Welfare Standards. The key areas covered by the Kering Standards include environmental impacts, working conditions and human rights in production processes for the main raw materials the Group uses.

Gucci requires all partners within our supply chain to comply with our zero-tolerance towards human trafficking and slavery, which is outlined in the Sustainability Principles and the Supplier Charter within the Kering Group Code of Ethics, as stated below:

Kering Code of Ethics - Since 2005, when the Kering Code of Ethics replaced the Ethics Charter issued in 1996, the Code of Ethics has defined the major principles which frame and guide daily business activities. This Code provides a framework for what is expected in professional conduct, and in the relationship with employees and customers, shareholders and business partners. It also defines the commitment to the environment.

The Kering's Code of Ethics, as updated at the end of 2018 and widely distributed in 2019, powerfully reaffirms the commitment by the Group and all its Houses, including Gucci, to respecting human rights, not only for all the employees, but also for all those

who work in the supply chains. Gucci mobilizes all our energy and vigilance to combat notably child labor, forced labor, human trafficking and the exploitation of the most vulnerable groups, in particular migrants, as well as to combat all violence and discrimination, especially against women.

Integrated in this Code is Kering Group **Suppliers' Charter**, developed in 2013 and updated in 2018, which embeds responsible practices throughout the supply chain.

To further enable the expression of certain undertakings formalized in Kering's Code of Ethics and Suppliers' Charter, Kering published the Group's **Human Rights Policy** in 2021 applying to all of Kering's operations and our supply chain. It aims at defining the means by which the Group can ensure its commitments on human rights and fundamental freedoms, health and safety and the environment are fulfilled. It sets out the fundamental principles with respect to human rights and outlines the Group's policies that go together to form Kering's commitments on the matter. In this respect, the Human Rights Policy restates Kering's commitment to eliminating child labor and prohibiting slavery, human trafficking, debt bondage, and the use of forced or compulsory labor throughout the entire supply chain.

United Nations Global Compact – Kering is a signatory to the United Nations Global Compact and has a longstanding commitment to comply with the provisions of the International Labor Organization (ILO) conventions concerning abolition of slavery, human trafficking and forced labor.

The Kering Group implements these policies and procedures throughout its supply chain, ensuring identification and mitigation of sustainability risks (including modern slavery and human trafficking) across the Group. The strategy is distilled by all Kering brands, including Gucci, and requirements and standards are clearly defined in all business engagements.

Kering Takes Care to Behave with Integrity and Responsibility

Kering believes that taking an ethical approach to business under all circumstances guarantees longevity. Success and sustainable development in the Group's markets including Gucci's markets depend on the trust of our customers, employees, shareholders, and commercial and social partners. This trust is built over time and has

to be earned day in and day out. Ethics in a business environment covers many issues that may sometimes appear contradictory. This is especially true when speaking about a group of brands operating on every continent, in countries with different cultures, at varying stages of economic development. However, these differences can be structured through a small number of simple but powerful shared principles, which in the spirit of responsibility and common sense should guide the Group's actions.

The Ethical Principles Shared by all Employees are to:

- Act with integrity and a sense of responsibility;
- Comply with applicable laws and regulations;
- Respect the dignity and rights of each individual;
- Act with respect for the natural environment;
- Use the company's assets and resources in the interests of the Group and its shareholders;
- Encourage employees in their community involvement and sustainability initiatives;
- Respect business confidentiality; and
- The implementation of these ethical principles should, above all, be based on a fair, honest, positive and creative attitude taken by everyone.

To follow a rigorous framework, Gucci has obtained the internationally recognised certification for social accountability, SA8000. All our manufacturing operations (including those at external sites) are covered by Gucci's SA8000 certification management system. The Social Accountability certification SA8000 is a global standard that accounts for business ethics and responsible labour relations, the standard has specific requirements on ensuring no forced labour and human trafficking in supply chains. SA8000 deals with respect for people, workplace health and safety, workers' rights and equal opportunity, in line with the ILO (International Labour Organization) principles. Gucci is actively involved with Social Accountability International (SAI), which developed the SA8000 standard, and is a member of SAI's Advisory Committee.

Gucci through the Kering Foundation has pursued our commitment to combating violence against women throughout the year. In 2021, the Kering Foundation has

published a policy on domestic violence in coordination with the Group's Human Resources Department, following its support for the approval of ILO Convention 190 on violence and harassment in the workplace.

DUE DILIGENCE, CONTRACTUAL CONTROLS AND SUPPLIER AUDIT

Gucci works diligently with our suppliers to ensure compliance with the Kering Code of Ethics and the Gucci Code of Conduct.

Gucci is SA8000 certified (through an independent third-party audit), and clause 9.10.1 states: *The organization shall conduct due diligence on its suppliers/subcontractors, private employment agencies and sub-suppliers' compliance with the SA8000 Standard. The same due diligence approach shall be applied when selecting new suppliers/subcontractors, private employment agencies and sub-suppliers.*

As part of the contractual agreement with each supplier Gucci ensures the signing off by the supplier of 2 key documents: The Code of Ethics and Suppliers' Charter and the Sustainability Principles, which include policy commitments on working conditions, wages and human rights relating to the supply chain.

Furthermore, as part of Gucci's association with the Group's Hercules project, we undertake continual monitoring and risk assessments of our supply chain and provide a supply chain analysis for our production processes.

The Hercules project is a compliance management system created by Kering in 2015. Its purpose is to create best practices, monitor risk assessments, and provide supply chain analysis for the production processes of Kering's Luxury activities. Gucci's involvement in the project ensures a higher level of protection against corruption and helps extend the Group's Code of Ethics and Sustainability Principles to its entire supply chain.

In addition, at the onboarding stage and on a regular basis during the contractual relationship, Gucci assesses for each supplier for any possible reputational and

criminal risks also in terms of human rights violations (including forced labour and human trafficking), through the available public sources and sanctioned lists.

Gucci feels our policies and management systems offer a robust framework for combatting modern slavery, human trafficking and protecting human rights.

RISK ASSESSMENT AND MANAGEMENT WITHIN GUCCI'S SUPPLY CHAIN

Gucci's commitment to environmental and social sustainability has been reinforced throughout the COVID-19 pandemic. Gucci continued to drive our ten-year sustainability strategy, building on various industry-leading initiatives to minimize our impact on the planet and to help protect the rights and status of people around the world.

During the COVID-19 pandemic, Gucci implemented a series of initiatives to support our supply chain partners. In recognition of the sanitation emergency caused by COVID-19, Gucci continued to fully respect in our operations and across our supply chain workers' rights, fully complying with the health and safety protocols stipulated by the COVID-19 guidelines around sanitation and hygiene. Gucci also continued to regularly pay all supplier orders during the lockdown.

To ensure continued compliance with Kering's Code of Ethics and Suppliers' Charter, and the Sustainability Principles, Gucci's suppliers and subcontractors (including raw material suppliers) are subject to regular audits by specialists at Kering and third-party teams. Robust corrective action plans are put together following audits, wherever breaches of compliance are identified. Follow-up audits are then conducted to ensure any non-conformance has been rectified. In 2022 alone, 1947 of Gucci suppliers were subject to at least one full audit or a follow-up audit. In total, 2354 audits were carried out across our supply chain.

During these audits there are clear guidelines we follow in regards to supplier non-compliances, which are classified into four categories, with a standard response for each one:

- a. **Breaches by suppliers' subject to zero tolerance** (relating to the most serious breaches to be encountered, specifically child labour, forced labour and human trafficking, irregular work, undeclared subcontractors, threats, discrimination, serious breaches of regulations, counterfeit, etc.). Identification of a zero- tolerance breach triggers the immediate establishment of a crisis unit bringing together the Kering audit team and Gucci to decide on the future of the relationship with the supplier: immediate shutdown of the approval process if the supplier is in the process of being activated but has not started working; and discussions about the possibility of remediation and support for the supplier or about the need to terminate the contractual relationship if the supplier is working on one or more orders. The brand is the ultimate decision-maker on the most appropriate response,
- b. **Serious compliance breaches by suppliers.** The supplier is given one month to resolve the serious breach of compliance, and a follow-up audit is scheduled to confirm that the issue has been resolved,
- c. **Moderate compliance breaches by suppliers.** The supplier is given three months to resolve the moderate breach of compliance, and a follow-up audit is scheduled to confirm that the issue has been resolved,
- d. **Observations.** These give rise to a corrective action plan and are the subject of a dedicated checklist at the next audit. The supplier has six months to remedy the observation.

Depending on the results of audits, suppliers are classified as: compliant (no zero-tolerance breaches, no supplier compliance breaches, whether serious or moderate, fewer than five observations); partially compliant (no zero- tolerance breaches, no serious compliance breaches, fewer than five moderate breaches); progress expected (no zero- tolerance breaches, more than five moderate compliance breaches or at least one serious breach); zero tolerance (at least one zero- tolerance breach).

In 2022, 59.46 % of our suppliers were rated compliant, 25.02% % partially compliant, 3.17% % progress expected and 0.60 % were classified as having a zero-tolerance items.

In 2022, we ended our relationship with 19 suppliers who did not meet our required standards after being issued with and supported through corrective actions.

To further ensure best practices within the Group and its supply chain, including Gucci's, in 2021, Kering conducted an assessment of the risks of severe impacts to human rights and fundamental freedoms, severe harm to the health and safety of individuals, and serious environmental damage, resulting from the operations of the Kering Group as well as of its suppliers or subcontractors. An update of the 2021 risk assessment is currently ongoing and will be completed in 2023.

Supporting Italian Suppliers

Furthermore, to support our suppliers' economic challenges resulting from the pandemic, Gucci worked with Intesa Sanpaolo bank in Italy to create a program to guarantee quick access to a wide range of loans, at the best terms and conditions, and with faster disbursement of loans. Thanks to the 'Sviluppo Filiere' partnership program, which launched amidst the Covid-19 emergency in May 2020 and extended in its scope to promote green financing, small and medium-sized enterprises within Gucci's supply chain have benefited from facilitated access to loans with advantageous terms and conditions to launch their own industrial evolution in accordance with the principles of the green revolution and ecological transition supported by Italy's National Recovery and Resilience Plan. These loans are earmarked towards energy efficiency and saving, development of renewable energy production facilities, and social welfare policies aimed at reducing the gender gap and promoting gender equality, among others key areas. Since the program's launch, 189 suppliers in the Gucci's Italian supply chain have benefited from over € 333 million in loans provided by Intesa Sanpaolo. In addition, in the early stages of the Covid-19 emergency, Gucci and Intesa Sanpaolo launched the "We Are All in This Together" fundraiser for the National Department of Civil Protection.

TRAINING

At Gucci, we realise the importance of maintaining clear, transparent communication and training in regard to human rights, modern slavery and human trafficking.

Since 2014, Kering has offered a training programme on ethics for all Group employees across all locations which is updated on an annual basis. Available since 2019 in 14 languages, it sets out the ethical ground rules in place at Kering and presents case studies and ethical dilemmas that help employees ask themselves the right questions. In 2022, 96.5% of Group employees worldwide completed the training on Ethics & Compliance.

Training is of particular significance in regard to Gucci's suppliers meeting our core Sustainability Principles. Each year we hold training seminars for each category product in order to share best-practice information relating to our sustainability strategy and key environmental and social impacts in our supply chain.

ALERT SYSTEM

Since 2018, the Kering's whistleblowing system has been strengthened and covered by a new procedure to meet all requirements of the Sapin II law. In application of this new procedure, the whistleblowing system is open to paid employees and interns of the Kering Group, as well as to external and occasional employees working for any service-provider or external partner with whom the Group and/or its Houses, including Gucci, maintain contractual relationships.

In parallel with the Ethics Committees and the Compliance Organization, any person may also choose to make direct contact with the Kering's global Ethics hotline set up to register and record issues referred to it, and to pass them on to the Ethics Committee(s) concerned and the Compliance Organization, via persons identified and authorized to guarantee the confidentiality and security of the information received.

The Committee contacted or the Compliance Organization then contacts the complainant to confirm that it has received the referral. This hotline replies to employees in the languages most spoken in the Group and is confidential.

KEY PERFORMANCE INDICATORS (KPIs)

In order to assess the effectiveness of measures taken to mitigate modern slavery and human trafficking risks, Gucci monitors a number of KPIs, which are reported on our Gucci Equilibrium platform (www.equilibrium.gucci.com), together with our sustainability projects.

LOOKING AHEAD

Looking ahead, we will continue to promote our zero-tolerance policy *vis-à-vis* modern slavery and human trafficking, and embed environmental and social sustainability across our business activities.

We also believe that every employee directly or indirectly working with Gucci has the right to receive a sufficient and proportionate salary taking into account the quantity and quality of their work and in every case to assure a free and dignified existence to himself and his family. That is why both Kering and Gucci are committed to ensuring that workers are fairly compensated for their work and, to go beyond, are working with multi stakeholders around living wage transparency across the supply chain.

Board of Directors of Guccio Gucci SpA

Marco Bizzarri

Gucci, President & CEO



Dated: 03-04-2023

