

*code
of ethics*



K E R I N G

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FOREWORD BY

FRANÇOIS-HENRI PINAULT

Chairman and Chief Executive Officer

Ethical behaviour and sustainability are at the heart of the way the Group does business. There is no sustainable business without trust. And this trust is based above all on our ability to demonstrate our day-to-day commitment to responsible business management.

Since the Group's first Ethics Charter in 1996, great progress has been made in continually reinforcing our ethical pledge. Milestones include the publication of the Code of Ethics and its distribution to all Group employees in 2005 and again in 2009; the creation of a Sustainability Department, which is represented on the Group's executive committee; ratification of the UN Global Compact in 2008 and the creation of the Kering Foundation which fights violence against women. These are all demonstrations of our determination to make ethics and sustainability the cornerstones of our business activities. More recently, the strengthening of our governance in the area of sustainability and the adoption of ambitious and concrete objectives for the coming years again testify to our determination and the seriousness of our approach.

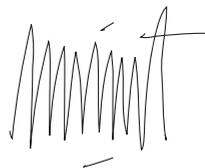
This third edition of our Code of Ethics provides the opportunity to restate our beliefs and the ethical principles that must take precedence wherever we operate. Structured by type of stakeholder, the Code of Ethics sets out the points of reference that must guide every individual's actions. These cover: respect for employees, gender equality in every aspect of professional life, fighting all forms of corruption and fraud, combating child labour, application of the major conventions of the International Labour Organisation, respect for the environment, listening to civil stakeholders and mobilising our workforce alongside local communities.

This update provides the opportunity to enrich the Code by including our Suppliers' Charter and by adopting the precautionary principle, particularly in the area of environmental protection. Lastly, this new version presents the development of the ethics organisation within the Group and possible avenues of recourse for employees who, whether victim or witness, suspect a failure to comply with one of the Group's ethical principles.

"only a strict ethical framework allows us to have sustainable growth."

In ethical matters, what we believe and permit and what we discourage and forbid cannot be repeated often enough. In the face of new issues and new challenges, tenacity, vigilance and continuous improvement are the pillars of this pragmatic approach. At a time when our Group is completing its transformation by becoming a world leader in apparel and accessories in both the Luxury and Sport & Lifestyle markets and adopting its new name, Kering, it is essential to remind everyone that nothing can or should be done outside a precise and demanding ethical framework – the only possible guarantee of longevity and development.

I would like every one of us to adopt this Code of Ethics when performing our daily tasks. Only then can we embody the spirit of Kering.



our ethical principles in the conduct of business

KERING TAKES CARE TO BEHAVE WITH INTEGRITY AND RESPONSIBILITY

Taking an ethical approach to business under all circumstances guarantees longevity. Success and sustainable development in our 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 our actions.

THE ETHICAL PRINCIPLES SHARED BY ALL EMPLOYEES ARE TO:

- Behave 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 goods and resources with the interests of the Group and its shareholders in mind;
- Support our employees' initiatives in community involvement and sustainability;
- Respect business confidentiality.

The implementation of these ethical principles should, above all, be based on a fair, honest, positive and creative attitude taken by everyone.

THE GROUP'S RULES OF BUSINESS CONDUCT REFLECT SEVERAL INTERNATIONAL STANDARDS, INCLUDING:

- The United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;
- Various International Labour Organisation conventions, notably conventions 29, 105, 138 and 182 (child labour and forced labour), 155 (occupational safety and health), 111 (discrimination), 100 (equal remuneration), 87 and 98 (freedom of association and protection of the right to organise and collective bargaining);
- The OECD Guidelines for Multinational Enterprises;
- The United Nations Convention on the Rights of the Child;
- The Ten Principles of the United Nations Global Compact.

our principles of business practice and behaviour towards our principal stakeholders

In addition to the principles stated above, it is essential to define the principles of conduct and behaviour shared by all employees, both at a personal level and in respect to the different people with whom we are in constant or occasional contact.

We are conscious of our duties and responsibilities towards:

OURSELVES

We are duty bound to act with integrity, loyalty and a sense of responsibility. In particular, we have to ensure that we do not get involved in situations that could prove fraudulent (corruption, conflicts of interest, misappropriation of assets, communication of fraudulent information, etc.).

In general, we must adhere to the Group's ethical principles and protect its interests in our day-to-day business activities, at our place of work and when travelling on business.

OUR COLLEAGUES AND STAFF

Respect for human rights and the law

We owe our colleagues and staff respect and fair treatment, and we need to do our utmost to create a motivating work environment that fosters their development. We aim to promote a human resources policy that contributes to the professionalism, motivation and fulfilment of each individual by providing opportunities for training, job mobility, internal promotion and development of employability.

We provide working conditions that comply with human rights, social legislation and environmental, health and safety laws and regulations.

We fight against child and forced labour.

We encourage freedom of speech for the Group's staff.

We encourage dialogue and respect the free exercise of unions' rights within the context of local laws and regulations.

Non-discrimination, diversity and equal opportunity

We do not tolerate discrimination, intimidation or harassment. We set out to promote equal opportunity and treatment, believing that an organisation whose employees include the full range of diversity of the society in which it operates (especially in terms of gender, age, origin, sexual orientation or disability) has a real economic and competitive advantage. In this framework, we confirm in particular our commitment to greater diversity and equality. We are working towards a better male/female balance at every level of management in order to put an end to the waste of female talent throughout the chain of command.

OUR CUSTOMERS AND CONSUMERS

Honesty, safety and quality

We provide our customers with the very best professional service to ensure they are satisfied and to earn and maintain their trust. Through its brands, the Group designs and markets products and services that comply with current standards and regulations with regards to quality, safety, industrial and intellectual property rights, and provides accurate, reliable and fair information.

Our public relations and advertising are based on honesty and fairness, and always keep consumer safety in mind.

Protection of personal and confidential data

Our customers retain the power to make decisions about the information that they entrust to us. We ensure that our customer's personal data remain compliant with the law and confidential in accordance with the promises we make to them.

THE ENVIRONMENT

We respect the environment and do what is required for the sustainable development of our business.

We are taking ambitious and concrete measures to minimise the impact of our activities on the environment and society by adopting proactive procedures based on best business practices and beyond, through innovation.

Measuring our impact beyond our own operations

The actions developed by the Group aim to not only reduce and alleviate the Group's environmental impact, but also to develop, within its spheres of activity, projects with a positive impact on populations and their surroundings.

In this respect, the Group is committed to measuring the impact of its activities, not only in the areas where it operates directly, but beyond, throughout its various supply chains, back to the extraction of the raw materials needed to produce the goods and services offered by the Group's brands. To this end, the Group produces an environmental profit and loss account (EP&L).

Priorities for action

Kering's environmental policy puts special emphasis on:

- the Group's CO₂ emissions and compensation for residual emissions through programmes that contribute to the well-being of local communities and the conservation of biodiversity;
- the use of water;
- the reduction of waste;
- the gradual elimination of hazardous chemicals in production processes;
- the responsible sourcing of raw materials that are in the products offered by the Group's brands, especially: gold, diamonds, leather, precious skins, fur, cotton, paper and packaging.

We encourage the sharing and implementation of best practices, considering them to be a positive feature of our management. These include: energy savings, lower processing and recycling costs, among others.

We are introducing indicators to assess our actions in relation to our principal effects on the environment and to implement short- and medium-term action plans.

Finally, we are committed to implementing the precautionary principle regarding environmental protection. Consequently, we introduce risk assessment procedures and implement temporary and proportionate measures when current scientific knowledge shows there is potential for damage that could have a serious and irreversible effect on the environment.

CIVIL SOCIETY

Dialogue with stakeholders and economic and social development

We restate our commitment to human rights and intend to act as a socially responsible company wherever we operate.

We pay close attention to the concerns expressed by international institutions, non-governmental organisations (NGOs) and representatives of civil society and wish to foster open dialogue with them.

We respect the culture of the countries in which we operate.

In most countries where we operate, we are involved in community, educational or cultural initiatives.

Kering Foundation

As part of its sustainability strategy, Kering encourages its brands and employees to support community programmes and to get involved for the benefit of women, particularly through the Kering Corporate Foundation which combats violence against women. The Foundation develops partnerships with local and international NGOs, raises employee awareness of this issue and encourages them to get involved.

OUR SHAREHOLDERS AND THE FINANCIAL MARKETS

Honest information

We practise a style of corporate governance that reflects current best practice and standards. We have to earn the trust and support of our shareholders and the financial markets by using the Group's resources in a responsible and efficient way. We owe it to them to provide honest, precise and accurate financial information. We comply fully with all applicable accounting, financial and stock exchange standards and regulations.

Insider trading

We are committed to preventing insider trading and the improper use of privileged information: an Insider Good Practices Committee establishes periods of neutrality ("black-out periods"), particularly those preceding the publication of annual and half-year financial statements, during which the directors and some senior managers of the Group and the brands are, in view of their duties, obliged to refrain from dealing in the shares of the Group's companies. If in doubt about transactions conducted outside such periods, these people must consult the Insider Good Practices Committee beforehand in order to make sure that there is no obstacle to such trading.

OUR BUSINESS PARTNERS AND OUR COMPETITORS

We are committed to maintaining fair and honest commercial relationships at all times.

The Group communicates the ethical principles that should guide the business conduct of its employees, especially in relation to compliance with laws and regulations, gifts, favours and conflicts of interest.

Conflicts of interest

Individuals should not put themselves in situations where their own interests or those of relatives or associates could conflict with those of their company or the Group, or would risk damaging their independence of judgement or professional integrity, or the image or reputation of the Group.

This particularly applies, for example, when an employee or one of his/her relatives or associates is likely to obtain personal benefit from a transaction made with customers, suppliers, or others on behalf of a Group company. Likewise, a conflict of interest would be deemed to arise whenever an employee attempts to select or influence the selection of a supplier, in which said employee or a relative or associate has a direct or indirect material or moral interest.

When employees are confronted by a risk of a conflict of interest, they must immediately inform their direct or indirect line manager or any other appropriate body or department (human resources, internal audit department, etc.). They must also abstain from any involvement in the relationships that their brand or Group maintain with the third party concerned, until a solution has been reached.

Corruption

Kering eschews corruption in its relations with all its stakeholders, whether this consists of giving or receiving an unfair advantage.

We prohibit the financing of political parties, trade unions and cultural or charitable organisations in exchange for material benefits, whether commercial or personal, whether obtained directly or indirectly.

We comply with national and international regulations on corruption, both direct and indirect.

All employees must ask themselves whether a gift, favour or invitation, received or given, puts the recipient under an obligation to the giver. When gifts or invitations are received, especially when they are offered in a personal way and above the threshold set locally, the principle is total transparency by immediately informing their line manager.

Suppliers' and sub-contractors' undertakings

We require our suppliers to adhere to the principles laid down in the Group Suppliers' Charter. We fight against child labour and forced labour. The Group has introduced checking procedures and does not knowingly work with any partner who disregards these essential principles.

The Group therefore ensures that its main suppliers are assessed at least once every two years. Kering and its brands will help them adopt best practices and comply with its Code of ethics.

Beyond these audits and checking procedures, we work to establish lasting partnerships with our suppliers and sub-contractors, and support them through training skills and development programmes and sharing good practices.

Last of all, we believe in free, open and fair competition, a factor in economic and social progress. It is equally applicable to the prices, quality and breadth of the offer, in the interests of the consumer and the end customer. We are committed to strict compliance with the relevant regulations relating to competition within the European Union and in all markets where the Group operates.

group suppliers' charter

1 Kering and its brands declare their commitment to comply with the provisions of the International Labour Organisation (ILO) and in particular with the conventions concerning the eradication of child labour and the abolition of slavery and forced labour. Moreover, the Group has shown its commitments as a signatory of the United Nations Global Compact and through this support emphasises its defence of the ten principles of the Global Compact since 2008.

2 In the light of this, Kering and its brands require their suppliers to commit themselves to the following basic principles which, taken as a whole, constitute Kering's Suppliers' Charter:

- **To prohibit work by children under 15 years of age**, saving an ILO waiver clause permitting work by children over 14 years of age;
- **To prohibit the recourse, in whatever form, to slavery, debt bondage, or forced or compulsory labour together with products or services created by these means.** The term 'forced or compulsory labour' covers all work or service exacted from an individual under threat of any penalty or without remuneration and for which the person has not offered himself/herself voluntarily;
- **To prohibit any type of work which, by its nature or the conditions in which it is carried out, is likely to compromise health, safety or morality;**
- **To prohibit any behaviour contrary to dignity at work**, especially any practice contrary to social regulations and in particular concerning remuneration, working hours and working conditions;
- **To respect employees' directly applicable right of representation and expression;**
- **To prohibit discrimination, in particular racial, ethnic and gender discrimination;**
- **To prohibit all forms of sexual and psychological harassment;**
- **To ensure the appropriate circulation of the principles of the Charter to its employees;**
- **To take appropriate measures for the effective application of the principles of the Charter to its own suppliers;**
- **To faithfully warn Kering and/or its brands of any serious difficulty in applying the Charter.**
- **To comply with directly applicable environmental legislation** and work to implement the three principles of the Global Compact relating to environmental protection:
 - Support a precautionary approach to environmental challenges,
 - Undertake initiatives to promote greater environmental responsibility,
 - Encourage the development and diffusion of environmentally friendly technologies.

3..... The unlawful practice of child labour, or forced or compulsory labour is totally unacceptable in any commercial relationship between Kering or its brands and a supplier.

In a general way, **Kering and its brands shall ensure that any supplier is helped to improve its standards to meet the objectives stipulated in this Charter.**

4..... **To determine whether or not the Charter conditions are being properly observed,** Kering representatives and/or its brands, who may be accompanied by outside observers, before any contractual relationship for the supply of goods and services to any Kering entity, shall have unrestricted access to the administrative documents, personnel and production, and packing and transport sites pertaining to the products and/or services to be contracted. These inspections may be repeated as often as is deemed necessary.

These inspections shall be the subject of assessment reports according to strict criteria. Kering reserves the right to circulate these reports in an appropriate manner.

5..... **In the course of the contract,** representatives of Kering and/or its brands or an outside partner commissioned by Kering and/or its brands, may, without prior notice, check that suppliers are complying with the undertakings contained in this Charter. The supplier shall facilitate access to any administrative document or person and to the workplace and living accommodation.

6..... For any contractor of Kering or its brands, **compliance with the Charter shall constitute, notwithstanding any contractual clause, an essential condition of the commercial relationship.** In the event of significant failure to comply with the Charter, Kering or its brands shall decide what corrective measures are to be put in place, if need be, in order to permit the commercial relationship to continue.

monitoring the application of the code

The Kering Code of Ethics applies to every employee of the Group.

The Code is available in the languages most commonly spoken in the Group and can be downloaded from the Kering website (www.kering.com) and from the Group's intranet (360°).

Working in parallel with the distribution of the Code since 2005, is a Kering Group Ethics Committee which was created at that time. This body is now supplemented by two regional committees: the Asia-Pacific Ethics Committee (APAC) and the Americas Ethics Committee (Americas) plus a worldwide hotline, available to all, in the twelve languages into which the Code is translated.

The Ethics Committees fulfil three mandates, to:

- **monitor the appropriate distribution and implementation of the Code of Ethics and the principles it defends;**
- **respond to enquiries from any Group employee,** from a straightforward request for clarification or question about the interpretation of the Code and its implementation, to a complaint (referral) put before the Committee for presumed non-compliance with one of the Group's ethical principles;
- **be proactive in developing the Group's policy and actions in the area of sustainable development.**

Membership of the Ethics Committees consists of representatives of the Group's brands and Kering employees (corporate or Kering APAC or Kering Americas staff). Their regional nature is part of the delegation of responsibility policy in force within the Group and ensures the most appropriate response to questions raised. Their function as final arbiter under the authority of the Group Ethics Committee to which they report, ensures that ethical principles are applied consistently across the Group.

In practice, all members of staff should address any request for clarification or question regarding the interpretation of the Code, or apparent failure to comply with it, to their line manager. They may also raise the matter with staff representatives, the legal department, the internal audit department or the Health & Safety Committee.

If preferred, and without needing to justify such action, staff may choose to contact one of these three Ethics Committees: the Group Committee, the APAC Committee or the Americas Committee. These committees do not deal with anonymous requests, except when required to do so by relevant legal obligation. They ensure that cases submitted to them are treated with full confidentiality (the representative of the brand to which the complaint relates is not present when the matter is examined, the complainant's consent is required prior to any action demanded by the Ethics Committee being put to the body concerned, cases dealt with by the Ethics Committee remain anonymous in any operating report, etc.).



Lastly, any employee may also choose to make direct contact with the worldwide Ethics hotline, set up to register and record issues referred to them and to pass them on to the Ethics Committee(s) concerned. This hotline handles calls from employees in all the languages into which the Code is translated (English, French, Italian, German, Spanish, Dutch, Russian, Portuguese, Chinese, Japanese and Korean). The hotline is confidential.

Note that cases requiring urgent action, and particularly when others are put at risk, will be treated with the appropriate urgency.

The Ethics Committees issue recommendations to the people best placed to implement them

in the body to which the complaint relates. The committees' role is to listen and offer advice. They ensure that any Group employee who witnesses a failure to comply with one of the ethical principles defended in the Group's Code of Ethics has the opportunity, if he or she considers it justified, to be heard and to see his or her request examined in complete confidence. The Ethics Committees make sure that no action is taken against an employee who, in all good faith, reports a case of failure to comply with an ethical principle of the Code, as a consequence of having reported the matter.

some questions and examples to help apply the code

Is it legal?

I should only make a decision or take action if the answer is YES under the applicable regulations. I should not act if the answer is NO or if I have serious concerns that it may be NO. If I do have doubts, I can talk to my line management, the legal department or internal audit department of my brand or the Kering Group, or I can approach an Ethics Committee (Group or regional) directly.

Could my action, my behaviour or a behaviour that I know about, be harmful to the Group's interests in the short, medium or long term?

This may, for example, concern environmental practices that could have serious health or financial consequences in the next few years. In this case, I apply the precautionary principle by suspending these practices and asking my line management or an Ethics Committee (Group or regional) for advice.

Am I respecting business confidentiality?

If I am not sure whether or not what I am talking about is confidential, I should refrain from talking about it, even if the information seems trivial, particularly in any context outside the company. When travelling, at a meeting with business partners', in the street or in a restaurant, I should treat any conversation relating to the affairs of the Group or its brands with the greatest caution in order to ensure that I do not divulge, or comment on, any confidential information that could be heard by a third party.

Can I speak freely about it?

If it is difficult to speak freely about what I am doing or about something I know, apart from the imperatives of confidentiality, it is because what I am doing is not, on the face of it, in keeping with the principles of the Code.

What should I do if I cannot talk freely about something with my line management?

Whether or not anything has actually occurred, I am invited to talk about it to an Ethics Committee (Group or regional) who will advise me on the approach to take. Any problem raised with an Ethics Committee will be treated as confidential, in the legitimate interest of the employee, his/her brand and the Group.

What should I do about actions of which I disapprove?

There are several possible channels. I can talk about it directly to the people in question or to my line manager. I can also refer it to my Human Resources manager, staff representatives or to the various employee representative bodies existing in my company. I can also approach the legal department or the internal audit department of my brand or at Kering corporate level.

In general terms, I can put any question or complaint before an Ethics Committee (Group or regional), which promises to treat my application in a confidential manner and to only divulge that I am its author with my express permission. If I don't want my name to appear in the investigation conducted to establish the veracity of the facts reported, my identity will remain confidential. In all cases, I will be kept informed of developments and the outcome of my request.

contacts

TO CONTACT ETHICS COMMITTEES BY E-MAIL:

KERING GROUP

ethique@kering.com
or ethics@kering.com

KERING APAC

ethics.asiapacific@kering.com

KERING AMERICAS

ethics.americas@kering.com

TO CONTACT THE KERING ETHICS HOTLINE FROM THE FOLLOWING TERRITORIES:

Argentina 0 800 222 2192	Croatia 00 44 121 629 0390	Israel 1 809 494 298	Netherlands 800 0222 398	South Africa 00 44 121 629 0396
Armenia 00 44 121 629 0395	Cyprus 00 44 121 629 0394	Italy 800 897 580	New Zealand 0 800 446 198	Spain 0 800 600 953
Aruba 00 44 121 629 0392	Czech Republic 800 200 251	Japan 00 66 3313 2761	Norway 800 15 838	Sweden 0 200 883 702
Australia 1 800 621 390	Denmark 802 50 543	Kazakhstan 8 10 44 121 629 0395	Peru 00 44 121 629 0386	Switzerland 0 800 002 170
Austria 0 800 006 652	Estonia 00 44 121 629 0391	Korea 003 0813 2841	Philippines 00 44 121 629 0395	Taiwan 0 0801 136 354
Azerbaijan 00 44 121 629 0395	Finland 0 800 114 217	Kuwait 00 44 121 629 0393	Poland 0 0800 121 1495	Thailand 001 44 121 629 0395
Bahamas 011 44 121 629 0395	France 0 805 103 040	Lebanon 00 44 121 629 0395	Portugal 0 800 855 753	Turkey 00 44 121 629 0383
Bahrain 00 44 121 629 0395	Germany 0 800 723 5206	Lithuania 880 031 748	Puerto Rico 011 44 121 629 0395	UAE 8000 4444 098
Belgium 0 800 74 189	Greece 0 0800 127 758	Luxembourg 00 44 121 629 0395	Qatar 00 44 121 629 0385	Ukraine 0808 129 0498
Brazil 0 800 020 1614	Guam 011 44 121 629 0387	Macao 00 44 121 629 0382	Romania 00 44 121 629 0388	United Kingdom 0 800 501 926
Bulgaria 00 44 121 629 0389	Hong Kong 0 800 900 508	Malaysia 01 800 815 895	Russia 8 800 100 6475	Uruguay 00 44 121 629 0394
Canada 1 866 606 5211	Hungary 06 800 188 94	Malta 00 44 121 629 0394	Saudi Arabia 00 44 121 629 0395	USA 1 855 265 4200
Chile 1 2300 205 765	India 00 44 121 629 0381	Mexico 001 877 5500 673	Serbia 00 44 121 629 0394	Vietnam 00 44 121 629 0384
China (North) 1 0800 712 2685	Indonesia 001 803 011 3699	Monaco 800 93 497	Singapore 0 800 120 6193	Virgin Islands 011 44 121 629 0395
China (South) 1 0800 120 2685	Ireland 00 44 121 629 0394	Morocco 00 44 121 629 0395	Slovakia 0 800 002 319	

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