

Kering SA

TICKER
 PAR:KER

MARKET CAPITALIZATION
 US\$69 billion

HEADQUARTERS
 France

DISCLOSURES
UK Modern Slavery Act: Yes

TARGETS

Yes

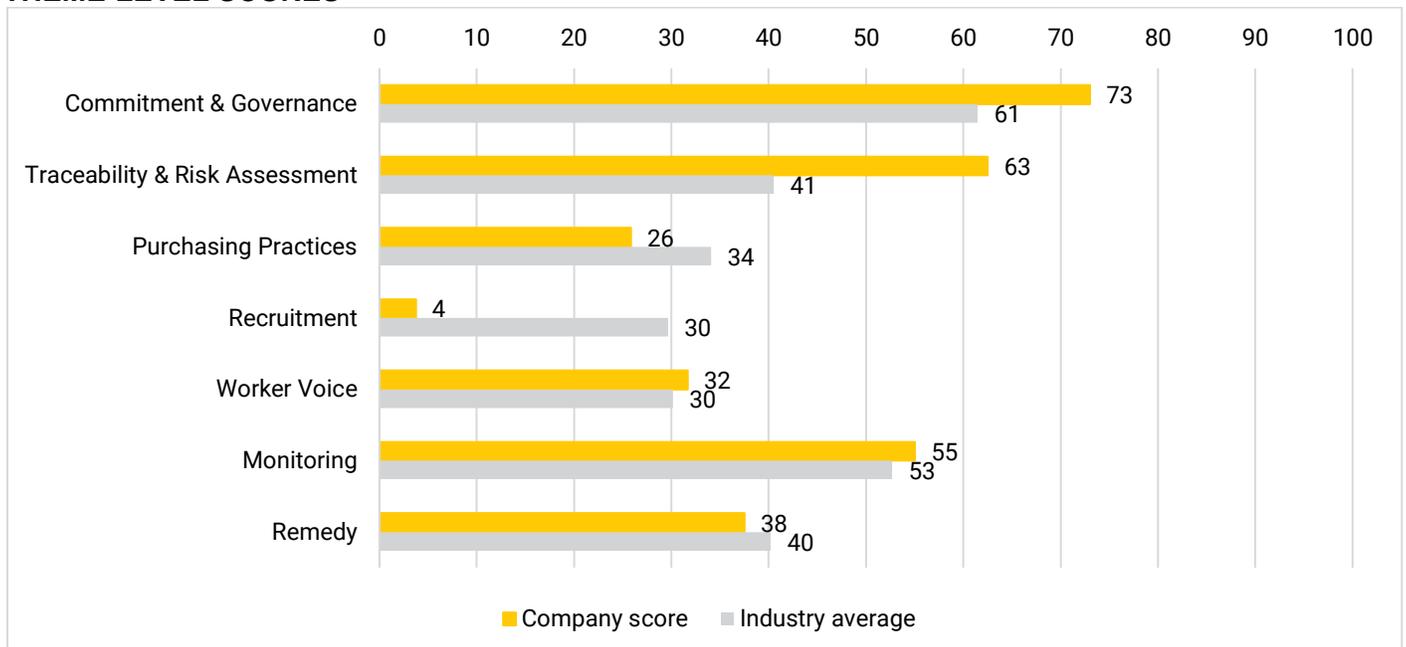
California Transparency in Supply Chains Act: Yes (Disclosure of Subsidiary)

OVERALL RANKING
21 out of 37

(2018 Rank: 17 out of 43)

OVERALL SCORE
41 out of 100
SUMMARY

Kering SA (Kering), whose brands include Alexander McQueen and Gucci, is the second-largest luxury goods company globally. It ranks 21st out of 37 companies and discloses about the same amount of information on its forced labor policies and practices as its peers. As the company has taken only limited steps to improve since 2018 (namely introducing training for leather suppliers, disclosing sourcing locations throughout four tiers of its supply chains, and disclosing a summary of audit findings), its score has decreased by four points. This may also be due to a strengthened methodology. It scores higher than average on the themes of Commitment & Governance, Traceability & Risk Assessment, Worker Voice, and Monitoring and lower than average on the remaining themes. Kering states that it does not use cotton produced in Xinjiang, but it does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers. Kering is encouraged to improve its performance and disclosure on the themes of Recruitment, Worker Voice, and Remedy.

THEME-LEVEL SCORES


KEY DATA POINTS
SUPPLIER LIST

■ No

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

■ No

HIGH-RISK RAW MATERIALS¹

■ Cashmere, cotton, natural rubber, and others

DATA ON PURCHASING PRACTICES

■ No

REMEDY FOR SUPPLY CHAIN WORKERS

■ No

HIGH-RISK SOURCING COUNTRIES

■ Brazil, China, Ethiopia, and others

LEADING PRACTICES

None.

NOTABLE FINDINGS

Stakeholder Engagement: Kering states that it is a member of the Mekong Club, an organization working to prevent modern slavery, and that it participates in regular meetings and is investigating how their metrics apply to its supply chains. It also states that it is a member of the Global Business Coalition Against Human Trafficking, formed by companies and NGOs to address forced labor risks in companies' supply chains.

Risk Assessment: Kering discloses that, in 2017, it began identifying and assessing human and labor rights risks across its supply chain tiers, including forced labor, wages, working hours, discrimination, freedom of association, and working conditions for vulnerable populations such as migrant workers. It states that it developed a risk map for raw materials, differentiating between the various risks associated with raw material supplies, production and processing, and working conditions—and factoring in associated country risks.

Monitoring: Kering states that its supplier audits include assessments of child and forced labor and a review of documents such as worker contracts, union agreements, management records, and records relating to wages, health and safety discrimination, and working hours. In addition, audits include site tours and confidential interviews with workers who are representative of the wider workforce (e.g., in relation to age or union affiliation). It further discloses the percentage of suppliers audited and an overview of findings.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: While Kering's supplier code notes that "employees cannot be asked to pay 'deposits' or fees," it should specify that suppliers, not workers, shall be responsible for covering any recruitment-related fees in its supply chains. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers. Kering is further encouraged to ensure that migrant workers understand both the terms and conditions of their recruitment and employment and their rights and to ensure that employment and/or recruitment agencies used in its supply chains are monitored.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. Further, the

company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

ENGAGED WITH KNOWTHECHAIN²

Yes ([Provided Additional Disclosure](#)).

¹ For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

² Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).