

# Kering S.A.

**TICKER**

ENXTPA:KER

**MARKET CAPITALIZATION**

US\$64 billion

**HEADQUARTERS**

France

**COMPLIANCE**
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Disclosure available, but not compliant](#)
**COMMITMENTS**
[None](#)
**OVERALL RANKING**

## 17 out of 43

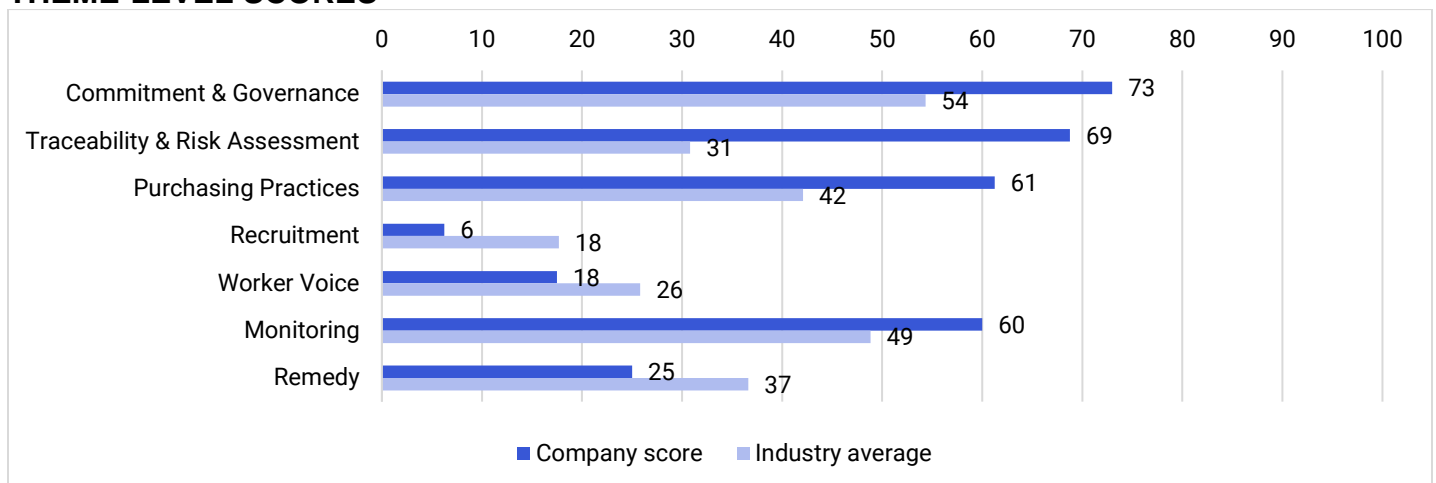
(2016: 17 out of 20)

**OVERALL SCORE**

## 45 out of 100

**SUMMARY**

Kering S.A. (Kering), a fashion and leather goods company whose brands include Alexander McQueen, Gucci, and Stella McCartney,<sup>1</sup> ranks 17th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers. Compared to 2016, the company improved its score by 18 points. Since 2016, the company has improved by disclosing internal capacity on supply chain labor standards, participating in relevant industry initiatives, undertaking a human rights risk assessment, integrating its standards into supplier contracts, and verifying implementation of corrective actions at suppliers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Recruitment, Worker Voice, and Remedy.

**THEME-LEVEL SCORES**


<sup>1</sup> In May 2018, the company spun off non-luxury brands such as Puma to concentrate on its luxury businesses.

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## LEADING PRACTICES

None.

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## NOTABLE FINDINGS

**Commitment & Governance:** Kering discloses that it has set up a central body which allows it to control compliance of its luxury brands' suppliers. This body, comprised of 16 staff, is responsible for the company's supplier code; it includes 12 auditors and four staff focused on "risk management, control of procedures, and management of information support systems." The company also has a Sustainability Committee at the board level. Further, the company discloses that it regularly participates in meetings of the Mekong Club, an industry initiative focused on addressing modern slavery, and also takes part in the Global Business Coalition against Human Trafficking.

**Risk Assessment:** Kering discloses that it has mapped the inherent risks in its supply chains by using purchasing data and information on all raw materials used in its products and by evaluating each stage of the raw materials' product transformation. The assessment included an analysis of the risk of abuses to human and labor rights, including forced labor.

**Purchasing Practices:** Kering discloses that it prohibits the sourcing of cotton from Uzbekistan, Turkmenistan, and Syria due to high risks of forced labor. It also notes that it has joined the Responsible Sourcing Network's Pledge, which includes a commitment to collaborate with stakeholders to eliminate forced labor in the sector. The company states that its supplier selection process includes audits based on 88 questions in 13 key categories, one of which focuses on forced labor. Kering has a responsible purchasing policy in place which requires buyers to act in accordance with its supplier code of conduct and to "endeavour to integrate appropriate sustainable criteria and requirements throughout the purchasing process." The company states that it requires suppliers to disclose their sub-suppliers and that subcontracting without prior authorization is not allowed. Additionally, it discloses that its supplier code of conduct has been phased into supplier contracts since 2016.

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## OPPORTUNITIES FOR IMPROVEMENT

**Recruitment:** While the company's supplier code notes that "employees cannot be asked to pay 'deposits' or fees, or have their identification documents withheld," the company may further consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to confirm that recruitment agencies used by its suppliers are audited and to work with suppliers to ensure that migrant workers' rights are respected (e.g., to confirm workers' passports or other personal documents are not retained).

**Worker Voice:** To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that its Ethics Hotline or another formal and effective mechanism to report grievances regarding labor conditions is communicated to and used by its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. To support collective worker empowerment, the company is encouraged to work with suppliers to improve their practices regarding freedom of association and collective bargaining and to work with local or global trade unions to support freedom of association in its supply chains.

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

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#), including information on the [company's business model](#).