

FENDI

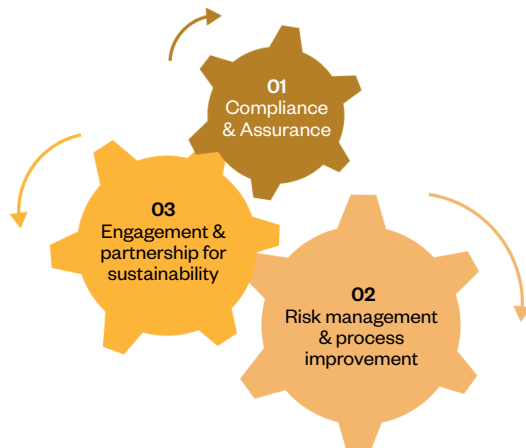
2025

AUDIT SERVICES FOR MANUFACTURING SUPPLY CHAIN

FENDI ESG AUDITING PROGRAM: CREATING SHARED VALUE, BEYOND COMPLIANCE

The objective of FENDI's supply chain audit process is to create value, through:

- **Compliance** - Independent feedback on the consistency of suppliers with the Supplier Code of Conduct: a substantial assurance;
- **Opportunities for improvement** - identify and share with suppliers objectives and plans to improve, map best practices and be consistent with the FENDI model, ensuring cohesion to the supply chain and increasing the degree of inclusion and further partnership opportunities;
- **Risk management** - mitigate reputational and operational risks deriving from the non-compliance of its suppliers with respect to the requirements that FENDI requires and subject to the control points provided.



Purpose: Partnership for Sustainability

01 Compliance & Assurance – Full compliance vs FENDI/LVMH values (Code of conduct- Ethical Code), ESG principles and key-pillars

02 Risk management: Understanding, monitoring, mitigate supply chain risks

03 Supplier support & engagement for sustainability: Identify and share knowledge, best practices, management approach, business model improvement

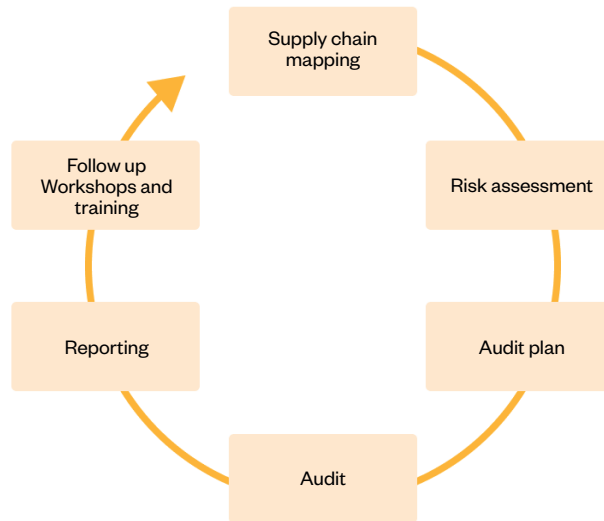
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ENGAGEMENT: METHODS OF INTERVENTION

Suppliers

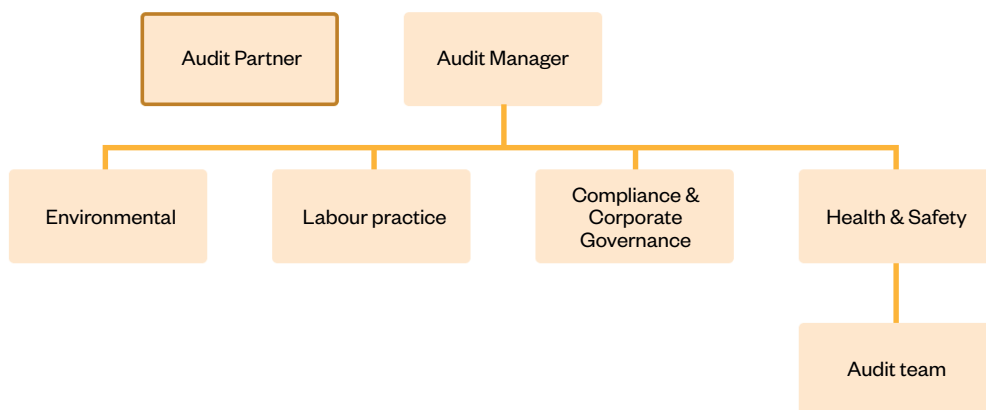
The audit plan involves, according to a two-year rotation plan, over 1,000 suppliers, from all FENDI production divisions. The audits are also extended to sub-suppliers (beyond Tier 1 level), in Italy and abroad, in order to guarantee a progressive coverage of the entire supply chain.

Auditing partners

The Working Group includes internal and external resources.

Partners have been selected among the audit companies ensuring the highest standards of professionalism and the most outstanding quality of services, as assessed during the bidding phase.

External auditing teams have been designed to ensure a high level of seniority, expertise and coordination skills of complex projects, ensuring the co-presence of expert figures on the main ESG issues and as minimum it includes.



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AUDIT METHODS

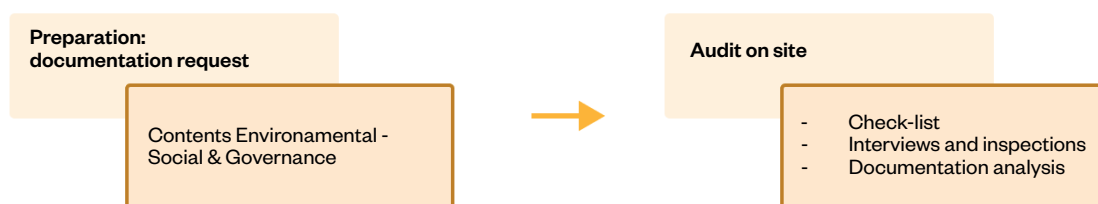
Fendi Methodology includes 3 audit types:

- Semi announced on site – with notification to the supplier, no more than 10 days in advance, of the week in which the audit will take place
- Unannounced on-site
- Remote review (applicable only for follow-up)

The minimum set of checks carried out during each audit include verification of compliance with regulatory requirements, internal compliance, and best practices, with respect to the following areas (clusters):

- **SOCIAL** - aspects related to the working conditions of the workforce (child labor, forced or irregular labor, health and safety, freedom of association, non-discrimination, mistreatment and abuse, working hours and pay);
- **ENVIRONMENTAL** - aspects related to sustainability (environmental impact, recycling, sustainable production);
- **TRANSPARENCY** - aspects related to the management of sub-suppliers and compliance with what was declared in the declaration completed by each supplier during the supply chain mapping phase;
- **COLLABORATION** - aspects related to the availability and collaboration of the supplier during the audit phase and commitment to correcting any non-conformities.

PREPARATION AND REALIZATION



PEOPLE: MEETINGS, INTERVIEWS AND SHARING OF GOALS

ESG audits require the involvement and participation of Top Management and all internal - and possibly external - company functions in charge and involved in the management of sustainability issues, both large companies and small artisan laboratories. During the audits, interviews are planned with a number of workers equal to 10% of the workforce (for small companies), 5% (medium-sized) and (2% large).

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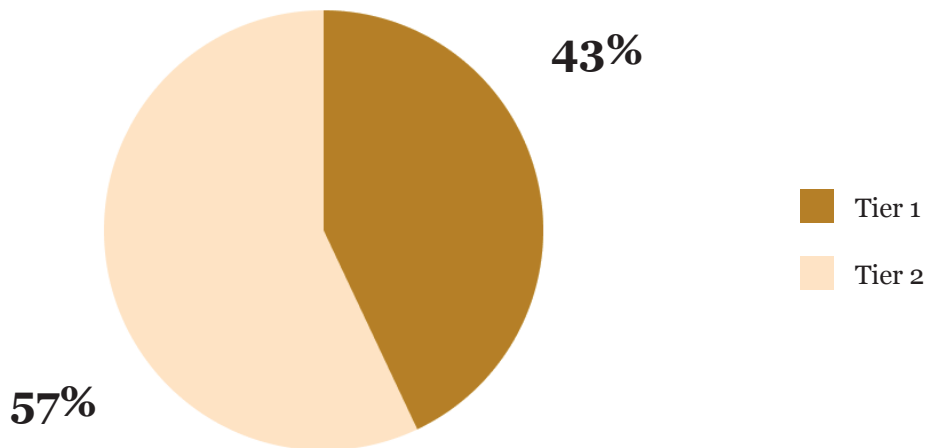
Corrective Action Plan: the commitment to improvement

At the end of each audit, a Corrective Action Plan, reporting a summary of the results of the verification, is shared with each supplier; in particular, the document reports requirements and actions needed to improve the processes, recommendations, suggestions and timing of implementation for each recommendation falling into each of the 4 pillars subject to audit.

Results

Through collaboration with primary auditing firms, Audirevi and KPMG, in the period January-December 2025 the following activities were carried out:

- **485** on-site supplier audits;
- **327** audit follow-ups
- **87** on-site suppliers full environmental audits.

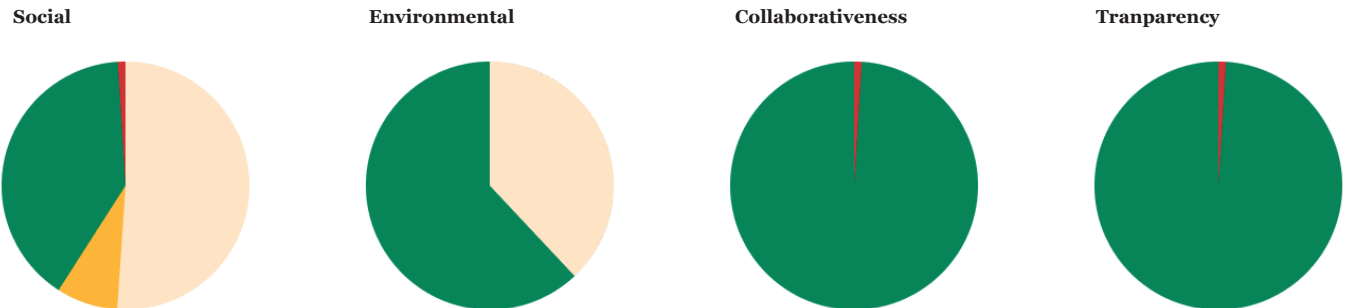


Those results are split along the entire length of the supply chain and in particular:

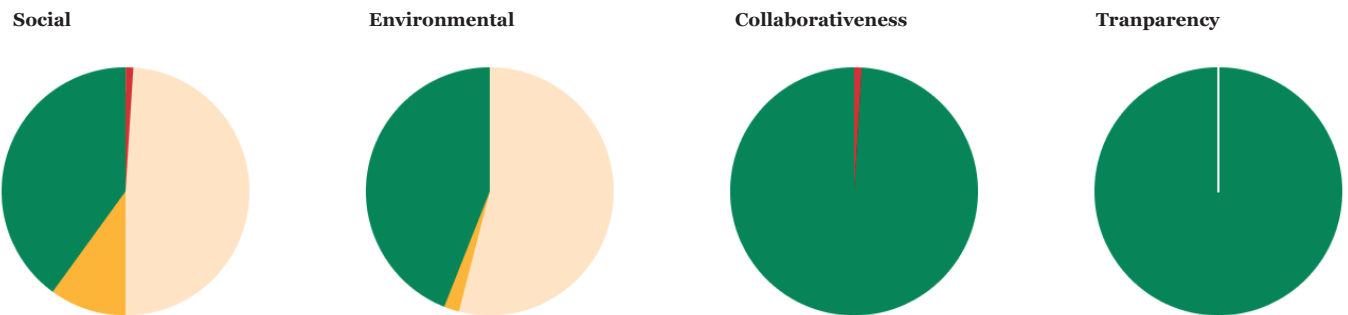
- **Suppliers Tier 1 Level:** full audit and follow-up performed in 2025 for 402 Fendi direct contractors.
- **Suppliers Beyond Tier 1 Level:** full audit and follow-up performed in 2025 for 595 Fendi authorized subcontractors.

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OVERVIEW LAST RATING SUPPLIERS TIER 1 LEVEL



OVERVIEW LAST RATING SUPPLIERS BEYOND TIER 1 LEVEL



BEST PRACTICES: SUSTAINABILITY AS A BUSINESS DRIVER

On-site visits are also necessary for the mapping of supply chain best practices in the ESG field: adoption of adequate governance models, management systems and process and product certifications, good practices, adherence to international codes of conduct, innovation, management and enhancement of human resources and relations with stakeholders. In the event of a positive result of the audit (best practice), FENDI provides for a wider scheduling of subsequent intervention (after 24 months).

