

LVMH'S INDIVIDUAL COMMITMENTS IN *act4nature*

LVMH and its Maisons have always viewed preserving the environment not only as an obligation, but as an imperative. The design and manufacture of luxury goods require innovation, creativity and flawless execution, and environmental performance is integral at every stage in this process.

Created in 1992, the LVMH Environment Department has made the use and sustainable management of biodiversity a key focus of its environmental policy, for its raw materials sourcing as well as for its product manufacturing and its production sites. The group Managing Director signed LVMH's commitment to the National Biodiversity Strategy in 2011.

This strategy is implemented at the national level, but also at group level, which spreads over more than 90 countries.

In addition to the risk of overexploitation of natural resources (animal, plant and forest) that may directly impact it, the group is aware of all the factors responsible for the erosion of biodiversity and has adopted a strategy to improve its performance which sets the Maisons four common environmental objectives. The aim is to avoid and reduce the use of natural resources, including energy resources contributing to the emission of greenhouse gases, limit the degradation of habitats and reduce pollution.

All four concrete objectives, shared by all Maisons, are to be achieved by 2020:

■ **Product objective:**

improve the environmental performance of all our products, taking into account their full Life Cycle;

■ **Supply Chain objective:**

apply the highest environmental standards across 70% of our procurement chains, and achieve 100% in 2025;

■ **CO₂ objective:**

emissions from energy consumption by 25% compared with 2013 and use more than 30% of renewable energy;

■ **Site objective:**

further improve the environmental performance (waste, water and energy consumption reduction) of all sites and stores by at least 10%.

The progress of this strategy and the achievement of the objectives will be subject to audit, validation then publication by the Statutory Auditors each year.

In the same context, the consumption and origin of the natural resources used will also be verified annually.

The group is committed to a controlled and reasoned management of natural resources and its objectives for 2020 are as follows:

- 70% of the leathers used by the group to come from tanneries under the Leather Working group certification, then 100% in 2025;
- 100% of the crocodile farms that supply our Heng Long tannery to be certified, in particular regarding animal welfare, by an independent third party;
- 70% of its cotton to be certified organic or Better Cotton or recycled or fairtrade, then 100% in 2025;
- 70% of purchased farmed furs to be certified, then 100% by 2025;
- more than 50% of purchased palm oil derivatives RSPO certified by 2018.

Concerning its productive areas, mainly planted with vineyards or plant species with cosmetic or perfuming properties, the LVMH group applies a policy to control its impact on biodiversity, raise awareness among its partners and support change for its local suppliers.

The aim of the group is that 100% of its vineyards will be certified at the end of 2020 with recognised international or national certifications, such as organic farming.

For our supplies from other winegrowers, a performance monitoring indicator based on these certifications will be implemented in 2018. The objective is to achieve a positive long-term evolution, initiated and accompanied by the Wine & Spirits branch.

LVMH is committed to ensuring that its suppliers, subcontractors and employees are aware of the issues regarding environment, ecodesign (restraint in the use of resources) and biodiversity (biodiversity issues, compliance regulations, origin and certifications of raw materials) and be accompanied to change their practices.

External and internal trainings as well as audit campaigns are regularly organised. The number of training hours provided by our Environment Academy serves as a monitoring indicator.

For example, the objective of the Perfumes and Cosmetics branch is to have 100% of its buyers trained for supplier environmental audits by the end of 2019.

As part of its commitment to biodiversity, and for an implementation conducted in a scientifically sound manner, LVMH strives to support fundamental and applied research in this area.

Since 2014, the group has become a founding member of the Foundation for Research on Biodiversity (FRB) and is committed to contributing financially to the development of scientific knowledge, in ecology and biodiversity economics. It supports these and research projects and contributes to the transfer of this knowledge from the sphere of science to the firm and its value chains.

