



PRESS RELEASE

24.09.2019

KERING COMMITS TO FULL CARBON NEUTRALITY ACROSS THE GROUP

Kering has announced today that the entire Group¹ will become carbon neutral within its own operations and across the entire supply chain. As a next step in its long-term commitment to sustainability, Kering will offset the Group's annual Greenhouse Gas (GHG) emissions from 2018 on top of all efforts to first avoid and then reduce them.

Kering's commitment is an extension of its annual offsetting approach that has been established since 2011 and initially incorporated Scopes 1 and 2 of the Greenhouse Gas Protocol². Since then, Kering has been leveraging its pioneering Environmental Profit and Loss (EP&L)³ accounting to analyze the Group's GHG emissions up to the base of the supply chain, where raw materials are created. This comprehensive data has enabled Kering's Houses to put in place customized supply chain initiatives and efficiency programs to effectively avoid and reduce its emissions. Furthermore, Kering set a Science-Based Target (approved by the SBT initiative) to reduce all its GHG emissions related to its own operations and supply chain by 50% by 2025 (from a 2015 baseline). A number of key sustainability initiatives have already supported the Group's SBT, including:

- Implementing the Kering Standards for Raw Materials and Manufacturing Processes outlining best practices and sustainability requirements, which delivers more than 20% of the overall SBT reduction target.
- Focusing on becoming more energy efficient in the Group's operations, which has led to the reduction of 30% carbon intensity in the Group's stores since 2015.
- Increasing the conversion to renewable energy to meet its 100% commitment for the Group, whereby 100% of the energy consumption is renewable in over seven countries, 77% in Europe and 67% covered overall for the Group currently in Scopes 1 and 2 of the GHG Protocol.
- Adopting key manufacturing efficiencies and innovative programs, such as the Clean by Design program for textile mills which translates into 12% CO₂ savings per year.
- Collaborating with peers to support efforts and solutions that can help decarbonize the fashion industry through the Fashion Pact.⁴

While these efforts to avoid and reduce its footprint across the supply chain will continue to be focused on as a priority, Kering is now offsetting all the remaining annual emissions in Scope 3 of the GHG Protocol as well. For 2018, and as published in the EP&L results, the total remaining GHG emissions offset for the Group will be approximately 2.4 million tons⁵ CO₂E. Offsetting will continue to be accomplished through verified best-in-class REDD+ projects that conserve critical forests and biodiversity, and support the livelihoods of local communities. Kering has prioritized the conservation of biodiversity for years and the 2018 offsets will equal nearly 2 million hectares of important forests around the world. Forests act as a carbon sink and the protection of these forests will support the removal of carbon from the atmosphere and help mitigate climate change.

K E R I N G



“When it comes to climate change, we can no longer wait to take real action. We all need to step up as businesses and account for the GHG emissions that we generate in total. Kering is committing to become completely carbon neutral as a Group across all our operations and supply chains. While we focus on avoiding and reducing our GHG emissions to meet our Science-Based Target, we will offset all our remaining emissions and support the conservation of vital forests and biodiversity around the world,” said François-Henri Pinault, Chairman and CEO of Kering.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: “Empowering Imagination”. In 2018, Kering had nearly 35,000 employees and revenue of €13.7 billion.

Press Contacts

Emmanuelle Picard-Deyme
Mich Ahern

+ 33 (0)1 45 64 61 87
+ 44 (0) 7984 684 454

emmanuelle.picard-deyme@kering.com
mich.ahern@gmail.com

www.kering.com

Twitter: @KeringGroup

LinkedIn: Kering

Instagram: @kering_official

YouTube: KeringGroup

¹ This includes Gucci's entire carbon neutral status already achieved and announced 12, September 2019.

² The GHG Protocol is a standardized international framework for Greenhouse Gas (GHG) emissions. As defined by the GHG Protocol, Scope 1 emissions are direct emissions from owned or controlled sources; Scope 2 emissions are indirect emissions from the generation of purchased energy; and Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

³ Pioneered by Kering, the EP&L measures carbon emissions, water consumption, air and water pollution, land use, and waste production within the Group's own operations and across the entire supply chain and then calculates the social cost in relation to these impacts.

⁴ Kering's Chairman and CEO, François-Henri Pinault, was given a mission from French President Emmanuel Macron to bring together the leading players in fashion and textile, with the aim of setting – and committing to achieve together – practical objectives for reducing the environmental impact of their industry in three key areas: climate, biodiversity and oceans. The Fashion Pact was developed as a result of this mission and in a historic move, 32 global fashion and textile companies signed on. It was presented during the Group of Seven meeting in Biarritz, France, on August 26 2019.

⁵ This encompasses the 1.4 million tons of CO₂e already offset by Gucci for 2018.