



PRESS RELEASE

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## **PPR Introduces Environmental and Social 5-year Targets across Luxury and Sport & Lifestyle Brands**

### ***PPR Acquires Stake in REDD Carbon Offsetting Company as part of next phase of Sustainability Program***

PPR, through its sustainability department PPR HOME, announced a set of core targets to achieve across its Luxury and Sport & Lifestyle brands by 2016 at the company's Annual General Meeting today. Additionally, a 5% stake in Wildlife Works Carbon, LLC has been acquired as part of PPR's long-term sustainability strategy for the Group.

In this next phase of PPR's sustainability efforts, a multi-tiered action plan over the next five years is in place to leverage the benefits gained from a Group Environmental Profit & Loss Account (E P&L), while reducing and managing PPR's social and environmental footprint.

"Our pursuit of operating on a more sustainable level across all areas of our business is integral to our business plan and to the longevity of our businesses. The next five years are pivotal and we now have a clear view of what we want to achieve, and the actionable targets we need to take to get us there," said Francois-Henri Pinault, Chairman and CEO, PPR, "We are confident that this type of innovative, sustainability-driven approach will ultimately generate new business revenues from sustainable products and services and create new business models for us as a Group."

As a comprehensive and progressive approach to sustainability, the E P&L analysis and 2016 targets function together as a complimentary approach. The Group E P&L will help in identifying new opportunities across the supply chain to enhance the sustainability of PPR's products and to ultimately implement efficient and innovative initiatives to reduce the environmental impacts from the sourcing of raw materials, processing, manufacturing, and distribution of the Group's products. In the interim, the defined targets will drive the Group to reduce and manage the impacts associated with the production of the products of all PPR's Luxury and Sport & Lifestyle brands. Additional corporate and brand-specific targets will be introduced as needed to adapt to challenges encountered.

Key areas of focus during this period are the reduction of CO<sub>2</sub>, waste and water; sourcing of raw materials; hazardous chemicals and materials; paper and packaging; and our supply chain. A set of specific targets in these areas to be achieved by 2016 include:

- Evaluating all our key suppliers a minimum of every 2 years and helping guide them to meet best practices and adhere to PPR's code of conduct.
- Reducing our carbon emissions, waste and water usage resulting from the production of products and services by 25%, while accounting for the growth of our business. All remaining emissions from scope 1 and scope 2 of the Greenhouse Gas Protocol will be offset annually. PPR will continue to partner with offset programs that contribute to the welfare of the community and the conservation of biodiversity in its regions of operations.
- 100% of paper and packaging for PPR will be sourced from certified sustainably managed forests with a minimum of 50% recycled content.
- All our collections will be PVC-free latest by 2016.
- Ensuring all hazardous chemicals have been phased out and eliminated from our production by 2020.
- 100% of gold and diamonds in PPR's products will be sourced from verified operations that do not have a harmful impact on local communities, wildlife or the ecosystems which support them.
- 100% of leather from domestic livestock within PPR's products will be from responsible and verified sources that do not result in converting sensitive ecosystems into grazing lands or agricultural lands for food production for livestock.
- 100% of precious skins and furs in PPR's products will come from verified captive breeding operations or from wild, sustainably managed populations. Additionally suppliers will employ accepted animal welfare practices and humane treatment in sourcing.

To achieve these targets, PPR HOME is implementing detailed policy and guidelines and will be monitoring performance, with a priority focus on the sourcing and suppliers of raw materials, and subsequent compliance. Additionally, PPR HOME will support the brands to customize action plans and to identify priority issues in order to achieve the overall 2016 Group targets.

As part of PPR's overarching sustainability strategy and alongside measuring, reducing and mitigating the Group's environmental and social footprint, remaining greenhouse gas emissions are being offset. As such, PPR has offset the 2011 global emissions from the Luxury division, Sport & Lifestyle division, and PPR's headquarters totalling 95,100 tons to become carbon neutral in Scopes 1 & 2 of the Greenhouse Gas Protocol. Carbon credits were purchased from Wildlife Works' leading REDD (Reduced Emissions from Deforestation and Degradation) offsetting project in Kenya which is the world's first Voluntary Carbon Standard (VCS) validated and verified REDD program. Wildlife Works' project directly: reduces greenhouse gas emissions by protecting threatened forests that are essential in mitigating climate change; improves the quality of life for local communities; and

conserves endangered wildlife. Furthermore, PPR has acquired a 5% stake in Wildlife Works Carbon, LLC. Aside from already having 500,000 hectares under protection, Wildlife Works Carbon, LLC has a prospective project pipeline of several million hectares of natural forests around the world. The voluntary carbon market is placed for growth and potential for return could exceed the original investment by multiple times. Additionally, the investment fulfills one of PPR HOME's primary goals, to invest in for-profit businesses that incorporate biodiversity conservation and social concerns into their business model, resulting in net-positive social and environmental impacts.

PPR, via PPR HOME, will hold a seat on Wildlife Works' Management Committee and joins a group of reputable corporate partners and shareholders in the company. PPR now has an active role in supporting Wildlife Works' aims to secure 5 million hectares of native forest over the next 3 years and to protect them for a minimum of 20 years with an expected 25 million tonnes of CO<sub>2</sub> emissions mitigated annually, while supporting human wellbeing and improved livelihoods for local communities.

“Over the next 5 years our goal is to implement actions that will measurably reduce our negative impacts, which will ultimately deliver innovative, sustainable products while retaining the quality and craftsmanship synonymous with luxury and the desirability of sport and lifestyle,” said Jochen Zeitz, Chief Sustainability Officer, PPR, “Investing in Wildlife Works Carbon, LLC rounds out our 5-year plan, linking our long-term strategy of a more sustainable business model to an investment that results in net-positive social and environmental impacts. The acquisition is a win-win-win for us as an investor, for the local community and for the land that is being conserved,” he added.



### **About PPR**

The PPR Group empowers a coherent ensemble of Luxury and Sport & Lifestyle premium brands, specializing in apparel and accessories, to reach their full growth potential.

Distributed in more than 120 countries, PPR generated revenues of €12.2 billion in 2011 and had over 47,000 employees at year end. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PPFP).

Find out more on Gucci, Bottega Veneta, Yves Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Stella McCartney, Sergio Rossi, Boucheron, Girard-Perregaux, JeanRichard, Puma, Volcom, Cobra, Electric, Tretorn and Fnac at [www.ppr.com](http://www.ppr.com).

### **About PPR HOME**

The PPR Group unites its brands behind PPR HOME to work together towards PPR HOME's Vision of a better world that is more sustainable - economically, socially and ecologically - than the world we know and live in today. With PPR HOME, the Group commits to lessen its impact on the environment, taking responsibility and proactive steps to implement more sustainable business practices. PPR HOME moves beyond the conventional CSR approach and promotes a new business paradigm whereby the attainment of sustainability is driving creativity and innovation, and vice versa, to build businesses that deliver financial, social and environmental returns for the long run.

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