



Le Président Directeur Général

His Excellency Mr. Ban Ki-moon,  
UN Secretary General  
United Nations  
Global Compact Office  
First Avenue & 46<sup>th</sup> Street  
NEW YORK, NY 10017  
USA

November 23, 2009

Re: PPR Group COP

Dear Mr. Secretary General,

In the scope of its commitment to mainstream Corporate Social Responsibility as a key component of its corporate strategy, PPR Group joined the United Nations Global Compact in June 2008 in support of its principles.

As PPR Chairman, joining the Global Compact was a personal aspiration, based on my deep conviction that the sustainability of a multinational group like PPR undeniably relies on respecting and defending ethical principles such as those advocated by the UN Global Compact.

Within PPR Group, CSR has now become a daily concern and a full-fledged element of our organisation. Our sustainable development policy is thus overseen by a dedicated corporate department reporting directly to me and headed by a member of PPR Group's Executive Committee.

In addition, PPR Group has adopted seven CSR key strategic priorities for the period 2008-2010, shaping a common core for the Group's six branches (Conforama, Fnac, Gucci Group, Puma and Redcats Group, CFAO), and framing the respective targets defined by PPR brands. These seven key priorities refer to the business fundamentals of brands, backed by the PPR Code of Business Practices, the corporate governance system and PPR's support to the 10 principles of the UN Global Compact, as the common foundations of the Group's commitments:

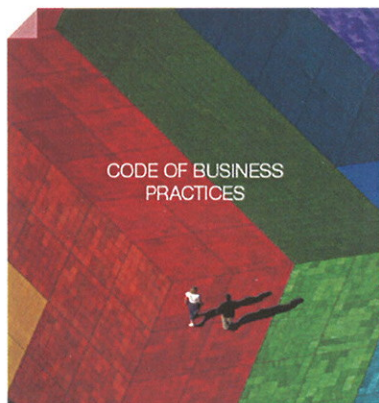
1. Enhance employability through skills management and training
2. Train each manager on diversity issues
3. Integrate CSR criteria into the supplier selection process
4. Monitor and limit transport-related CO2 emissions
5. Reduce the environmental impact of stores and infrastructures
6. Promote responsible products and usage
7. Implement solidarity programmes related to companies' business activity

One year after joining the UN Global Compact, I wish to reiterate my support to the values defended by the Global Compact, and report on the progress made by PPR Group in advocating its 10 principles within our sphere of influence since we became signatory in June 2008.

Each year, the reporting reference document published by PPR Group includes a chapter dedicated to CSR policy within the Group and its branches. Nearly 80 pages thus contain an exhaustive presentation to our stakeholders of the corporate strategy and related action plans implemented within the Group. The information disclosed in the reference document is based on social and environmental data reported by our local operations, enabling the Group to closely monitor and keep track of its social and environmental performance over time. In a concern for promoting reliable and exemplary CSR practices, PPR submits the main reports to analyses by fully independent auditors. Since 2008, a cross-reference table (page 124 of 2008 Reference Document) has been added to highlight PPR's initiatives and actions matching the Global Compact principles.

Among the best practices recently implemented in an effort to promote the Global Compact principles, and as part of this "Communication on Progress" report, I would like to mention in particular the recent update of PPR's Code of Business Practices re-issued to the 88,000 Group employees.

The PPR Code of Business Practices initially published in 2005, is aligned with the major international reference standards: UN Universal Declaration of Human Rights, European Convention on Human Rights, OECD Guidelines for Multinational Enterprises, UN Convention on the Rights of the Child, and the main International Labour Organisation conventions. This Code was a follow-up of the Charter of Ethics adopted by PPR Group back in 1996.



An adventure of enterprise

PPR

Since this document is the core of our Corporate Social Responsibility policy, PPR Group decided in 2009 to update and republish its Code of Business Practices, as a reminder to its entire staff about the ethical commitments and principles defended by PPR - and in particular the 10 principles of the UN Global Compact - and to emphasize their importance to new staff who have joined the Group since 2005 (date of its initial publication).

To this purpose, in the first half of 2009, PPR corporate management forwarded the updated Code of Business Practices to all managers across the Group, as well as an explanatory letter from their respective Chairman. Each manager was responsible for explaining it to his/her own staff. This cascaded communication process was intended to ensure that every single PPR employee adopt this Code as a benchmark to carry out their duties and contribute on a daily basis to blend requirements of economic efficiency with high concerns for social and environmental responsibility.

In an effort to facilitate proper understanding of the corporate ethical principles, the Code of Business Practices was translated into the 14 most common languages of PPR Group (French, English, Spanish, Italian, Portuguese, Brazilian, German, Croatian, Swedish, Dutch, simplified and traditional Chinese, Russian and Japanese). In addition, a comprehensive communication system was implemented throughout all PPR branches to support the re-issue of the Code.

Articles dedicated to the Code of Business Practices were published in the Branches' internal communication media; the updated Code was officially introduced at various staff conventions organised by the brands and companies, and a short "User's Manual" video (in 14 languages) was broadcast, explaining the Code and its purpose. The PPR Code of Business Practices is published on companies' Intranets and on the PPR corporate web site - [http://www.ppr.com/front\\_sectionId-689\\_Changelang-en.html](http://www.ppr.com/front_sectionId-689_Changelang-en.html) - for easy daily access by the Group's 88,000 employees.

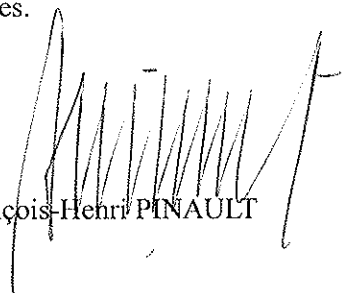
The publication of the updated Code of Business Practices also provided the opportunity to remind everyone about the existence of the Ethics Committee for Corporate Social Responsibility (ECCSR) created at corporate level in 2005. This Committee, responsible for monitoring and enforcing the Code, is charged with responding to enquiries from Group employees, whether requests for clarification, questions about the Code's interpretation and implementation, or complaints reported to the ECCSR regarding any presumed non-compliance with one of the Group's ethical principles. Replies to all enquiries are fully confidential, and processed with the assistance of an independent expert on business ethics.

In 2009, beyond efforts to disseminate the updated Code of Business Practices, PPR Group also developed numerous projects and initiatives designed to shore up and enhance its social and environmental performance. Such actions include in particular PPR's sponsoring of the movie *HOME* filmed by Yann Arthus-Bertrand, intended to raise public awareness to the key challenges of sustainable development. The film has already been viewed by more than 150 million people across the planet via a DVD distribution to the Group's 88,000 employees and free webcasting on [www.youtube.com/homeproject](http://www.youtube.com/homeproject).

Please find attached our 2008 CSR Update report describing our CSR actions and achievements over the past year, along with our future perspectives to carry on our efforts.

In closing, allow me, Mr. Secretary General, to reiterate my deep commitment to the implementation of and compliance with the 10 Global Compact principles.

Respectfully yours,



François-Henri PINAULT

Cc: Mr. Konrad Eckenschwiller – Compact Global, Paris

Encl.: *PPR Code of Business Practices (English version)*  
*2008 Reference Document, CSR Chapter (EN)*  
*2008 CSR Update*