

LVMH

Preserving the environment

2009



LVMH

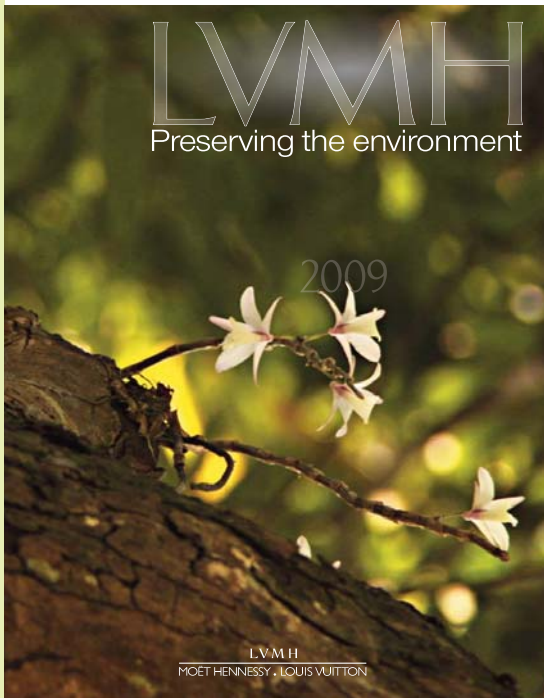
MOËT HENNESSY . LOUIS VUITTON

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Cover:
Guerlain "Réserve Exploratoire" in Laos.



Veuve Cliquot's Hôtel du Marc:
an exemplary renovation.

Message from the Chairman



Luxury represents one of the most advanced forms of the relationship between man and nature because it is the successful combination of human creativity and the most precious resources of our planet. This is why LVMH has long been committed to protecting the environment, particularly the natural resources so crucial to the development of our products. Our status as a leader in the luxury market requires that we set an example and our teams work every day to manage our shared heritage with intelligence and care. By focusing on our values of excellence, innovation, creativity and passion, we will be able to meet these fascinating challenges and thus perpetuate the value of our business and continue to appeal to our customers.

Bernard Arnault
Chairman and Chief Executive Officer

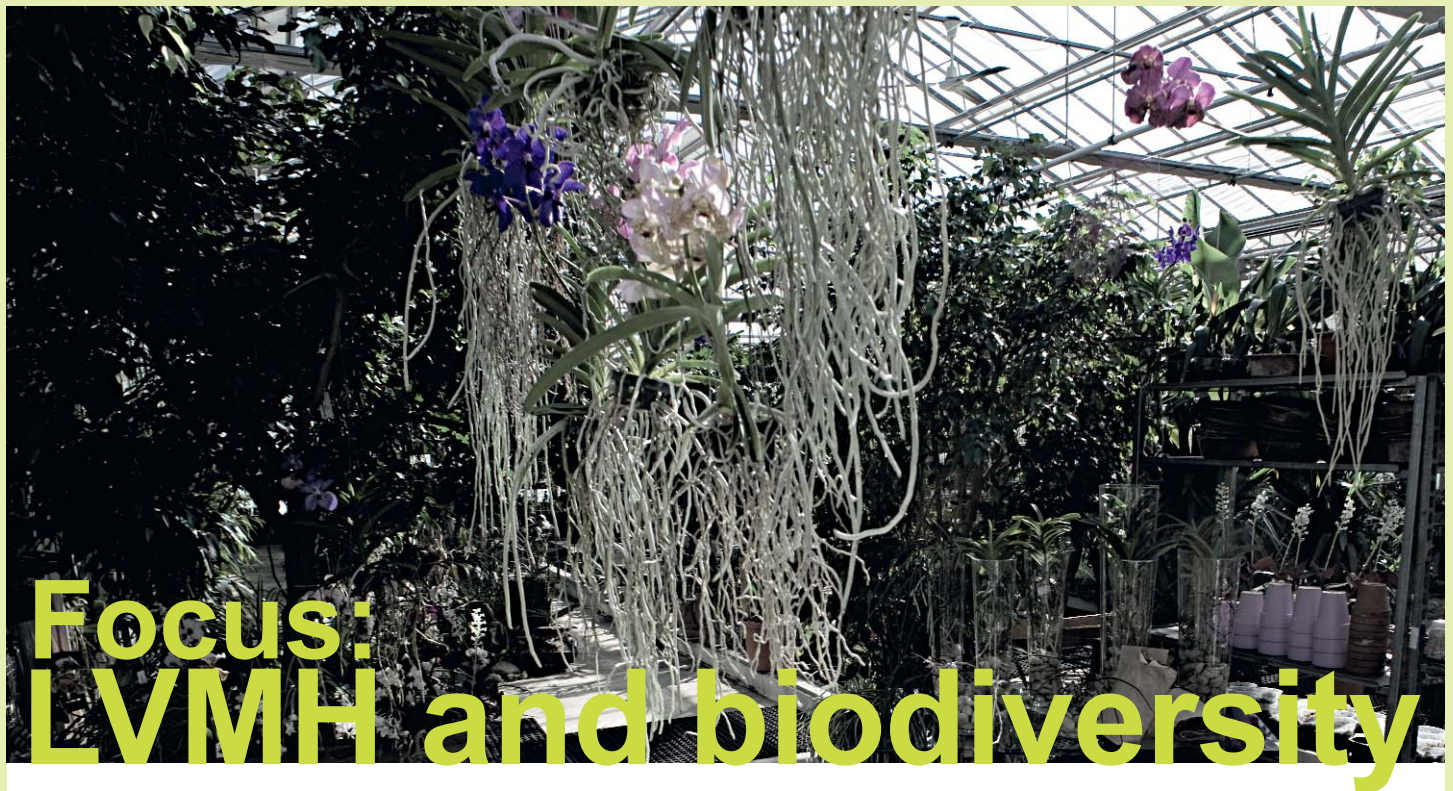
Antonio Belloni

Group Managing Director of LVMH

Customers need to feel close to the values embodied by a brand. Nowadays that includes brand awareness of the social and environmental stakes involved. The emergence of a “green” consumer who is concerned about corporate social and environmental responsibility is becoming a universal trend, and the luxury segment is no exception. These concerns, which are now a particular focus of attention, have long been incorporated by our brands and are inseparable from their growth strategy. In this area as well, each brand aims for excellence. The LVMH Environmental Department, formed in 1992, defines our strategy and assists the Brands in implementing their projects. Since 2002, for example, all the major companies in the

Group have completed their Carbon Footprints to measure their impact on global warming and to initiate concrete measures. To ship their products to the port of Le Havre, Hennessy in 2009 adopted piggy-back transport from Cognac, and Louis Vuitton again expanded its use of inland waterway transport. “*Les Jardins de Dior*” and Guerlain’s Orchidarium were also two magnificent projects in 2009. The objective was to make a very concrete contribution to the preservation of the most precious plant species used in the formulation of our products. These are, of course, just a few of the many examples discussed in this the Group’s 9th environmental report. Finally, LVMH partnered in 2009 with Edun, a pioneer in ethical fashion, founded in 2005 by Bono and his wife Ali Hewson. This is testimony to our confidence in the mission undertaken by this young company and it represents another way in which we can continue our commitment to sustainable development.





Focus: LVMH and biodiversity

The United Nations has declared 2010 the International Year of Biodiversity in order to “mobilize the international community to an awareness of the richness and fragility of biodiversity.” But what does biodiversity actually mean? How does it affect LVMH? And what is the Group doing in this area?

Used for the first time at a conference in 1985, the concept of “biodiversity” was popularized at the Earth Summit in 1992. It was at that Summit that the entire international community became aware of the deterioration in nature and adopted the Convention on Biological Diversity. This Convention recognizes that protecting diversity is “a shared human concern” and that it is an integral part of the development process. It also focuses on the “sustainable use of its elements and the fair and equitable distribution of the benefits resulting from the use of genetic resources.” It was accordingly the first full international agreement to consider all aspects of biological diversity: genetic resources, species and ecosystems.

2010: International Year of Biodiversity

In declaring 2010 the international year of biodiversity, the UN was hoping above all to mobilize the entire international community to an awareness of the richness and fragility of our biological resources. Given the threats facing the planet (growing urbanization, intensive agricultural practices, deforestation, pollution etc.), conservation of biological diversity has become a global concern and, like climate change, cannot be put off until later. “Biodiversity is life. Biodiversity is our life”, declared Ban Ki-Moon at the official ceremony marking the start of the year on January 11, 2010.

What are the implications for the LVMH Group?

“Biological diversity is the foundation on which all of human life is based. The ecosystems with their wealth of biological diversity supply not only essential elements (food, water, fibers, medical products), they also perform irreplaceable functions, including disease control, erosion control, and even

purification of the air and water”⁽¹⁾. For most of the Group’s Houses, the living world is a vital resource for product development. Aware of these fundamental challenges, LVMH is engaged in a variety of research work and a large number of programs, including sustainable grape growing and ethnobotany which combines plant science and agricultural practices⁽²⁾. In 2009, the Group completed a special study to measure the extent to which its businesses depend on biodiversity. In addition, LVMH is heavily involved in the Foundation for Biodiversity, which works to “bring French research and the challenges of society into synergy as part of a dialogue between science and society:” the Group sits on the Strategy Board along with public research institutions, local authorities, natural parks, farmers, environmental groups and business federations. The following pages provide many more details about the variety of programs in which LVMH is involved to protect biodiversity.

(1) cf. Ahmed Djoghlaif, Executive Secretary of the Convention on Biological Diversity, in *Global Perspectives of Biological Diversity*, 2nd edition.

(2) A subtle mixture of traditional knowledge and modern technologies, ethnobotany reconciles local expertise and preservation of biodiversity.

Ethical code to preserve biodiversity imminent

In order to encourage all its members* to share the ethical bases for the preservation of biodiversity and inspire them in their actions around the world, the International Union for Conservation of Nature completed work in February 2010 on a reference document titled the “Biosphere Ethics Initiative” (BEI). The result of nearly five years of work, this BEI project may be brought by France to the Convention on Biological Diversity during the Conference of the Parties scheduled to take place this fall in Nagoya (Japan).

*80 countries, 120 public organizations, plus 1,000 NGOs and 10,000 experts..

Important programs conducted within the Group

Flowers, plants, grape vines, and even leather and silk: our natural heritage is vital to the success of our operations in most of the LVMH sectors. All the sectors are committed to various programs to protect it.

The Perfumes and Cosmetics companies are expanding their work in ethnobotany and establishing preferential partnerships to cultivate certain plants. The Wines and Spirits brands continue to intensify their work in integrated grape growing, which covers a number of aspects, from reducing phytosanitary agents to new management practices for soils and natural areas. Finally, the Fashion and Leather Goods brands are in strict compliance with, and even anticipate, changes in the Convention on International Trade in Endangered Species of Wild Fauna and Flora, known as the CITES Convention. Moreover, by increasingly expanding their eco-design approach, they are promoting the use of paper and cardboard from sustainably managed forests.

PERFUMES AND COSMETICS

Our natural heritage is the foundation for the businesses of the **Perfumes and Cosmetics** segment, which transforms raw materials from flowers and plants to develop its products.

The different companies therefore work to preserve biodiversity, for example by growing specific medicinal plants. Guerlain, for example, created the Orchidarium, a platform for research on the orchid, and Parfums Christian Dior developed its concept for Dior Gardens. In addition, the companies do not use endangered plants or high-risk practices such as harvesting birch bark which threatens the survival of the trees.



Parfums Christian Dior decided to recycle vine shoots from the Yquem domain, using them in the composition of its "Or de Vie" line. The antioxidant molecules generated by the shoots produce an active ingredient that has strong protective and regenerative power. And what is more, their origin is guaranteed because Yquem is actively engaged in integrated grape growing.



Ethnobotany: ongoing research

The LVMH Perfumes and Cosmetics Research Department continues its work in ethnobotany. In order to work on plant varieties, the teams establish local partnerships. This policy both promotes local economic development and contributes to the preservation of certain species. A large number of companies, including Parfums Christian Dior, Parfums Givenchy, Guerlain, Sephora and Kenzo Parfums, favor this approach to discovering new ingredients. They are setting up ethnobotanical networks in Madagascar, Burkina Faso, Vietnam and China and are working with local residents to establish good farming practices.

In 2009, our various projects were continued, with R&D still playing a lead role in this area. In Madagascar, for example, the partnership initiated in 2006 with an association of longoza growers continued. The longoza plant (the "plant that lasts") is a plant species used in the composition of the "Capture Totale" eye care product: payment of a quota finances major programs, such as the creation of a House of Rice or even school infrastructure improvements. Based on complete transparency in harvesting grains for use in fabricating raw materials, this partnership has resulted in closer ties with local residents.

In addition, after the success of the 2nd Africa & Beauty Forum in 2008 in Burkina Faso, a major event marked by sinking a well, the Group is working to organize the 3rd Forum in June 2010.

An Orchidarium at Guerlain

Guerlain has founded the Orchidarium, a research platform dedicated to the orchid, with three components: an experimental garden near Geneva, a basic research laboratory in Strasbourg and the "Réserve Exploratoire" in the heart of the Asian jungle straddling Laos, northern Thailand and the Yunnan province in China. Within this program, it participates in a reforestation project in Laos, a region where deforestation is endangering a large number of orchid species due to the fact that the flowers grow on those trees.

In 2009, special attention was paid to the wild *Vanda coerulea* which grows at the top of the trees. Hundreds of young plants have accordingly been reintroduced since the start of the rainy season and these will be followed by thousands more. Along with its participation in the protection of rare species, Guerlain is developing the ability to harvest its orchids under the conditions of their natural environment. This is crucial because the plants do not have the same properties if they are grown outside their native habitat.

“Les Jardins de Dior”, to bring man closer to nature

The Dior Gardens initiative is based on an overall concept of garden as a space where man meets nature. For the perfume company, this means working with the ingredients it has identified as having particularly interesting cosmetic potential in strict compliance with a special charter based on four key goals: the development of high-performance ingredients and active principles; the implementation of real traceability for those ingredients, from planting to use; respect for strong ethical principles that ensure that those who helped harvest the ingredients receive fair compensation for their work; and, of course, the preservation of the environment by ensuring that all processes used comply with the standards in force.

Like the logonza plant for the “Capture Totale” skin care line, three ingredients resulting from this philosophy are used in the composition of the new “Hydra Life” product line: the jisten from Uzbekistan, the centella from Madagascar and the black rose from Brittany. There are now seven official gardens in France and other countries of the world. The cover different areas, ranging from the parcel of land extending to just a few hectares for the Kniphofia used in the “Prestige” line, to the greenhouse for black roses, and sometimes, to an entire region as is the case for the logonza.

WINES AND SPIRITS

The natural environment is also at the center of the businesses operated by the **Wines and Spirits** companies. Grape growing requires good management of the soils and ecosystems that make up its biological diversity. The Group’s Brands continue to expand the philosophy of sustainable grape growing. Sustainable grape growing, with its reduction in phytosanitary products, the elimination of acaricides in favor of natural methods, and the reduction in insecticide treatments offset by the technique of sexual confusion, drastically cuts the use of products that have a high environmental impact. This is already the case at Moët & Chandon, which continues to reduce herbicides and fungicides progressively, taking qualitative impacts into consideration. In 2009, Domaine Chandon California and Newton began to apply a new “Mow & Blow” program on 60 hectares in order to reduce pesticides and insecticides and they established new habitats for owls and birds of prey to improve natural protection against undesirable



Green cover management for vines.

species. Maison Domaine Chandon Australia set up biological barriers to protect the habitat of the growling grass frog, which is threatened with extinction.

Sustainable grape growing also means the use of new practices which are more respectful of the environment, such as the use of green cover management, sowing winter grains, the reduction of effluents and the planting of specific species. Green cover management, for example, is already used on one-third of the areas at Moët & Chandon with priority on the catchment zones. The planting of eucalyptus allows the recovery of byproducts from the vine at Cloudy Bay and Chandon Argentina. Other practices focus on the effluents produced: with the innovative and recently installed system which separates pressing effluents from the wash water, Moët & Chandon can now recycle its effluents for agricultural use. Sustainable grape-growing also requires operations on the soil itself. For this reason, Domaine Chandon California is terracing vineyards to reduce erosion. Cloudy Bay is also focusing on soil management and protection and is testing new solutions to improve disease resistance. The Australian brand also prefers to use sheep for foraging during the winter and to reduce the volume of herbicides used even more. Finally, four hectares of its vineyard already has organic grape-growing certification.

FASHION AND LEATHER GOODS

The natural landscape also forms the basis for the businesses of the **Fashion and Leather Goods** companies, which work with raw materials like leather, cotton, linen and silk. The sector is thus heavily involved in a process to preserve biodiversity both in order to protect the different species present in the ecosystems and to limit consumption of other natural resources like water and energy. In 2009, Louis conducted a study on the origin and respect for the species that provide exotic leathers pursuant to the CITES Convention. The leather company manufactures many of its eyewear lines from cellulose acetate, a noble and natural material derived from wood and therefore renewable.

LVMH contributes to a special guide

As part of its commitment within the Orée association, LVMH has been particularly involved in the task force set up in 2006 to study the interdependence of economic players and biodiversity. The work of the group led to the publication of a guide which has now become a reference work. The work titled “Integrating biodiversity in corporate strategies” goes beyond a simple analysis of the risks of impacts on biodiversity, and focuses on the interdependence of socio-economic systems and ecosystems. It is organized into four sections: the methodology used to analyze direct and indirect interactions between businesses and biodiversity; a self-assessment of 25 companies and communities, including LVMH; a method for building sustainable partnerships between the business world and biodiversity; and, finally, the presentation of nine innovative initiatives that follow an approach where the living world and the world of business coexist viably. The Group also contributed to the highly successful Biodiversity and Climate Conference, before and after Copenhagen, organized by Orée in November 2009.



Preserving the environment

For many years, the LVMH Group has been committed to preserving the environment. It was also one of the first groups to establish an Environmental Department in 1992. This commitment became a strategy in 2001 when Bernard Arnault signed the Environmental Charter that encouraged each Company to establish an environmental management program and every Chairman to become involved in the initiative. The commitment was further strengthened in 2003 when the Group joined the Global Compact, an initiative launched by Kofi Annan that is based on its signers' voluntary commitment to respect ten principles relating to human and citizen rights, working conditions, and the environment, to contribute to more sustainable growth at the international level. In 2009, the brands initiated concrete programs, including the exemplary renovation of Veuve Clicquot's Hôtel du Marc, the expansion of transport by inland waterways and sea, and the use of eco-design.

A collective commitment

The Environmental Charter signed by Bernard Arnault in 2001 is a concrete expression of the vision of the LVMH Group of how to integrate protection of the environment in its businesses:

● **Aim for a high level of environmental performance**

In developing its businesses internationally, LVMH works to align its practices with those that offer the best level of environmental protection around the world.

● **Foster a collective commitment**

The environment is the responsibility of every individual and LVMH believes that the awareness, education and training of its employees are top priorities. To ensure a continued high level of environmental performance, the Group believes it is vital for each company to set precise environmental objectives and implement a management system dedicated to this process.

● **Control environmental hazards**

In addition to the most stringent compliance with environmental regulations, which is an absolute duty, the Group intends

to focus on risk prevention. As a result, it allocates human and material resources to this goal.

● **Design luxury products by integrating environmental innovation and creativity**

Guided by its overriding concern for high quality, LVMH is working to improve control and better anticipate the environmental aspects related to the life cycle of its products. LVMH encourages all processes that result in environmental innovations and accepts its duty to exercise prudence and take precautions to ensure total safety for the consumer

● **Make commitments outside the company**

LVMH intends to contribute to the protection of the environment above and beyond just the aspects directly related to its own businesses. Because it considers that promoting respect for the environment is essential, LVMH is developing an active partnership with groups of businesses, local communities and the associations which contribute to this objective.

Like every human activity, the activities of the LVMH Group have environmental impacts, which vary in type and magnitude depending on the business. The following table presents the primary environmental challenges for each business group:

Business sector	Primary Environmental Challenges <i>(certain challenges are not directly under the control of the LVMH Group, but are controlled via the Group's suppliers)</i>
Wines & Spirits	<ul style="list-style-type: none"> • Savings in energy resources and the fight against climate change (packaging production, distillation and product shipment). • Protection and saving of water resources: water consumption (vine irrigation in Australia, New Zealand, Argentina and California), production of effluents loaded with organic matter during fermentation and distillation). • Recovery of waste products (fermentation and distillation processes). • Protection of the ecosystems and natural resources, particularly plants (vines), necessary for production. • Reduction of production impacts and transformation of raw materials, particularly using eco-design (packaging).
Perfumes & Cosmetics	<ul style="list-style-type: none"> • Savings in energy resources and the fight against climate change (packaging production and product shipment). • Protection and saving of water resources. • Protection of the ecosystems and natural resources, particularly plants, necessary for production. • Reduction of production impacts and transformation of raw materials particularly through eco-design (packaging and components of perfumes and cosmetics).
Watches & Jewelry	<ul style="list-style-type: none"> • Protection of ecosystems and natural resources (packaging, stones and precious metals).
Fashion & Leather Goods	<ul style="list-style-type: none"> • Savings in energy resources and the fight against climate change (lighting and air conditioning in stores, product shipments). • Protection of the ecosystems and natural resources, particularly plants (textile fibers), necessary for production. • Reduction of production impacts and transformation of raw materials, particularly through eco-design (packaging, cotton and other textiles, leathers).
Selective retailing	<ul style="list-style-type: none"> • Savings in energy resources and the fight against climate change (lighting and air conditioning in stores, product shipments).

The targets for improvement have been clearly identified. They involve increasing the awareness of everyone through training.

Created nearly twenty years ago, the Environmental Department, which reports directly to the Group Managing Director, defines the guidelines for programs. It ensures the application of the Environmental Charter and organizes internal environmental audits. It meets every quarter with all the Companies' environmental correspondents in an Environmental Commission with the aim of encouraging the sharing of each entity's best practices. The Environmental Department assists the various LVMH companies to adapt those principles, particularly in the areas of training, management, eco-construction, the fight against greenhouse gases, energy savings, and the preservation of biodiversity and water resources. The companies implement the environmental objectives they have defined on a daily basis. All their practices contribute to ongoing improvement and are consistent throughout the Group.

AWARENESS ACTIONS EXPANDED

It takes training to raise awareness and motivate employees to take steps to preserve the environment and combat climate change. Over 17,260 hours of training were offered in 2009 for this purpose. Last year, Guerlain conducted a large-scale operation for all personnel, both at its production sites and at its corporate offices. Five conferences were organized at which

the Chairman presented the environmental and sustainable development challenges and the Company's objectives, which included a 12% reduction in greenhouse gas emissions between 2007 and 2012. A document was drafted for this event which describes the Brand's commitments by area, explains the action plans to reach those objectives, and reports on major achievements. Louis Vuitton has expanded employee awareness through marketing campaigns based on national or international events. For example, during Sustainable Development Week, the entire staff at the Paris offices was mobilized for a Sustainable Development Challenge while European Mobility Week was an opportunity to publish 900 copies of the first Guide to Green Transport in Paris (bicycles, boats, electric vehicles). More generally, 2009 was a year in which existing tools were updated, new awareness campaigns (sorting, ISO 14001 certification and others) were launched, and indicators for water, energy and waste products were displayed in the shops. Similar programs were also initiated on international "Earth Day". In addition to the inauguration of the "Environment and Food Safety" intranet during Sustainable Development Week, Hennessy decided to increase awareness for its employees through a film. Nearly 140 employees with their children attended a showing of the film "We will remain on Earth," followed by a debate on water and green initiatives for citizens, or the animated film

"My small, dear planet". Thanks to its partnership with the mayor's office in Cognac, Hennessy expanded this operation to the city itself.

Make Up For Ever, which has formalized its approach with the dedicated logo "For Ever Green," has already implemented reduction programs following a major meeting to increase the awareness of its teams. For example, sorting operations were improved at its packing site in Gennevilliers, near Paris.

To mark Sustainable Development Week, LVMH organized a conference with Hubert Védrine, former French Foreign Minister and actively involved in forming a UN Environmental Organization. This event was an opportunity to present examples of good practices within the Group, including the eco-design packaging program at Parfums Christian Dior, already a reality with the refillable "Or de Vie" line, or the customized service offered by Guerlain at its institute on the Champs-Élysées to offer personalized skin care to disabled customers. This program was launched after special training for employees and adaptation of the physical space.



Sustainable Development Challenge Ceremony at Louis Vuitton.

THE BRANDS ORGANIZE AND FORM ENVIRONMENTAL COMMITTEES

Following the Group's example, more and more of the companies have established their own environmental committees to implement the initiative internally. At Le Bon Marché, the "Cosmos" Environmental Committee has set twelve objectives based on three principles: "living together", the environment, and the sustainable economy. Those objectives have been translated into concrete actions which include a clothing drive for the Emmaüs association, the collection of eyewear for African countries, and participation in the activity of a dispensary in Vietnam. In 2010, it intends to work on energy and the implementation of actions identified in the Carbon Footprint analysis and to put an emphasis on responsible purchasing.

The "Green Team" at Domaine Chandon California, formed in 2008, intensified its efforts last year: in addition to the publica-

tion of five in-house "Green Team Reporter" newsletters, it drafted documents with a visual chart to explain its missions to current and future employees. Domaine Chandon California also decided to include sustainable development objectives for its annual assessments of employees.

INCENTIVES TIED TO ENVIRONMENTAL PERFORMANCE

In order to encourage employees to make efforts and achieve results, environmental criteria have been included in the bonus calculation since 2003 at Veuve Clicquot and since 2007 at Moët & Chandon. At Veuve Clicquot, three criteria were taken into consideration: water and energy consumption and the quality of selective sorting. At Moët & Chandon, an indicator has been developed, based on electricity consumption, which takes into account all the activities, from grape production to the final product, including all stages—pressing, assembly, fermentation, racking, corking and packaging. In 2008, Hennessy included an environmental indicator in the calculation of employee incentive compensation. Approved by its social partners, this new criterion is based on paper consumption by number of sheets used per person compared to Hennessy's total consumption in its two sites in Cognac and Paris. The goal is to achieve a 3% reduction. This initiative is part of the new environmental pact signed in June 2008 that sets, among other objectives, a means for employees to have a financial interest in the results achieved from their environmental commitment.

Fifth edition of the "Matières à Penser", the eco-material handbook

This guide identifies about forty materials offering an environmental performance that has value for the Group's products and explains the different applications possible in each business. It is intended as a matter of priority for stylists, marketing managers, developers and buyers for whom it is a true work tool. For the fifth edition, the "Matières à Penser" brochure was entirely revamped. Now in a smaller format, one that is therefore usable and practical, printed on 100% recycled paper, it now offers for each material the different applications that are possible for each business.





Tangible results at all our sites

Our longstanding efforts to preserve the environment are bearing fruit. As a logical follow-up to Bernard Arnault's signature of the "Environmental Charter" in 2001, an environmental management team has been established in each Company. Headquarters acts as the driving force.

LVMH's Environmental Department sets the objectives, rules and procedures to be observed to meet the Charter's requirements and improve performance from year to year. In 2009, new tangible results were achieved in every Company. The use of renewable energy sources and shipment by inland waterway was expanded, new Carbon Footprints were completed and a number of the companies are setting quantified objectives for reducing their environmental impact.

ENVIRONMENTAL MANAGEMENT

Expansion of ISO 14001 certification

All the Brands in the Cognac-Champagne-Vodka segment are now ISO 14001 certified. They have launched a voluntary process to achieve better environmental performances by adapting their internal organization accordingly.

Hennessy, which has been certified since 1998, has already renewed its certification three times without any non-compliance or observation. The process is being extended to the other businesses. In the Perfums and Cosmetics business group, Guerlain has launched certification at its two sites, and Parfums Christian Dior earned certification for its logistics hub at Saint-Jean de Braye in December 2009. 2009 was

also a significant year for the Fashion and Leather Goods business group. Louis Vuitton not only earned certification in July for its flagship Eole site and the fourth floor of its Paris headquarters, it also passed its follow-up audits for its workshop in Barbera, Spain, its Paris headquarters, and its European warehouse. At the same time, Louis Vuitton is also developing an ISO 14001 multi-site project for all its production shops for leather goods and footwear: this project is founded on an innovative 3-step approach to certification. In the Watches and Jewelry segment, TAG Heuer is planning to certify its site sometime in 2010, as are Glenmorangie and Domaine Chandon Australia in the Wines and Spirits business group. Finally, in 2009, 23% of the LVMH industrial, logistics and administrative sites were audited, representing 42 outside audits and 71 internal audits.

Comment from Ernst & Young: *In order to achieve greater understanding of its control of the environmental risks of its operations, the LVMH Group elected in 2009 to replace the historical indicator of the number of environmental audits with the percentage of sites audited. This new indicator provides a better view of the intensity of the audits conducted by the Brands to evaluate the deployment of environmental management processes. It covers only the sites for which performance audits are considered useful, i.e. the production sites, warehouses and administrative sites held and/or operated by the companies controlled by the Group.*

Food safety

In 2008, Veuve Clicquot and Moët & Chandon earned ISO 22000 certification, the standard specific to food safety management. These companies have been joined by Krug, which was certified in June 2009. Covering all activities throughout the food chain, ISO 22000 is intended to coordinate food safety management practices so as to ensure maximum safety for consumers. Hennessy, for example, is already deeply committed in this area with its quality initiative. The Cognac brand has had a department dedicated to the environment and food safety since 2004; its missions range from analysis of the hazards at each of the seven steps in the fabrication

process to the qualification of products and materials in direct or indirect contact with the wines and spirits. It also includes a technology watch system with appropriate traceability and oversight all the way through the bottling stage. Hennessy requires its suppliers of dry materials that come in contact with the cognac to carry out an analysis of Hazard Analytical Critical Control Point (HAACP) risks; this is carried out through instructions, audits and specific verifications. The Belvedere distillery at Polmos Zyrardow is also ISO 14001 certified and has been certified OHSAS 18001 and ISO 2200/HACCP since 2007.

ENERGY EFFICIENCY AND RENEWABLE ENERGY

In 2009, the companies consolidated in the statements consumed 535,938 MWh, broken down by energy source as follows: 64% electricity, 19% natural gas, 8% heavy fuel, 6% fuel oil, 2% butane-propane, 1% steam and less than 1% renewable energy sources. This represents an increase of 7% from 2008. This consumption is generated, in descending order, by the operations of Selective retailing (37%), Wines and Spirits (31%), Fashion and Leather Goods (16%) and Perfumes and Cosmetics (13%); the remaining 3% is generated by Watches and Jewelry and the administrative activity of the holding company. The energy consumption of the sales areas excluded from the scope of reporting (50% of the total sales area) is estimated at 180,638 MWh.



Initiatives structured to save energy and combat climate change

An awareness of energy savings and climate change has long been part of the policy of LVMH, which was a true pioneer when it completed its first Carbon Footprints in 2002 at Hennessy, Parfums Christian Dior, Louis Vuitton, Moët & Chandon and Veuve Clicquot. As of this date, all the major Brands of the Group have completed their footprints and are working to implement priority measures in packaging production, product shipments and energy consumption at the production sites and stores (see section on "Atmospheric Emissions"). As a result, Sephora has anticipated changes in urban transportation legislation and the increase in the costs of fossil fuels and decided to use electric transport for deliveries to all of its 250 French stores. In December 2009, 80% of the stores were already being supplied using electric vehicles.

After Louis Vuitton, which in 2008 expanded its shipments by inland waterway, and Guerlain, which continues to improve its maritime ratio (61.7% in September, compared with 50% for 2008), Hennessy adopted rail-road shipments from Cognac in May. These deliveries should in time affect 50% of the products shipped, which will allow Cognac to reduce its transport-related carbon footprint by one-third.

Buildings are also a powerful vector for energy savings. The work performed at Le Bon Marché on lighting and other energy consumption items generated savings of 5.75% on the three buildings and 9% on Le Bon Marché alone. The Company is increasingly incorporating economical lighting in all forms: leds and metal iodide lights. It monitors the rapidly changing technology and conducts large scale tests on an ongoing basis.

At Parfums Givenchy, several preliminary energy diagnostic procedures were completed. The diagnostics on the Beauvais site have already resulted in the replacement of the steam boiler with a new model that is lower in power but has a higher yield. The result is gains calculated at 220 MWh/year for gas and 2,000 m³/year for water, representing 5% and 7% respectively of the site's annual consumption. And the preliminary diagnostic tests performed at the Vervins site have already led to the installation of a system that recovers the heat produced by compressors to heat a workshop during the winter months.

By focusing on the use of natural light and automatic light shut-off, TAG Heuer has reduced its electricity consumption by 21%. The Company also cut its fuel oil consumption by 11% by installing systems to recover the energy generated by the machining tools and by installing eco-roofs with plantings that improve building insulation.

At the same time, Louis Vuitton is conducting a number of projects aimed at improving the energy performance of its various sites and stores. For example the consumption of certain machines used in fabrication has now been optimized with timers, over 70% of the lighting in its new stores is provided by energy-saving metal iodide lamps and the main window area of the Asnières building is now covered with an anti-UV and anti-heat film.

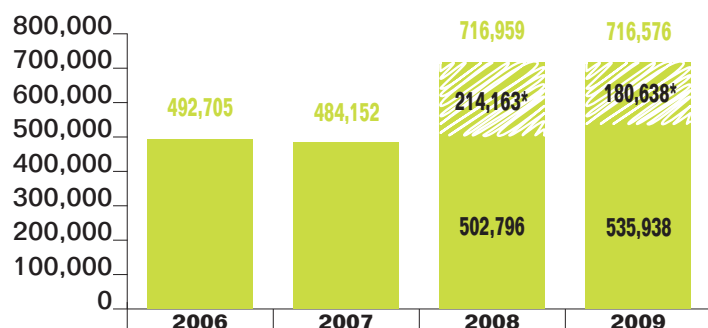
Expansion of renewable energy with solar and geothermal power

Louis Vuitton is expanding renewable energy production at a number of sites: geothermy (heating and air conditioning at the Fiesso workshop and the offices at the Eole logistics center in Cergy), direct solar power (production of hot water at the Barbera shop) and photovoltaic solar (production of electricity for the Europa logistics center in Cergy)

Parfums Christian Dior also equipped one of its packaging sites with photovoltaic panels that produce over 450 MWh every year. Finally, Hennessy and Domaine Chandon California have acquired small clean electric and photovoltaic vehicles to transport employees or visitors in the cellars.

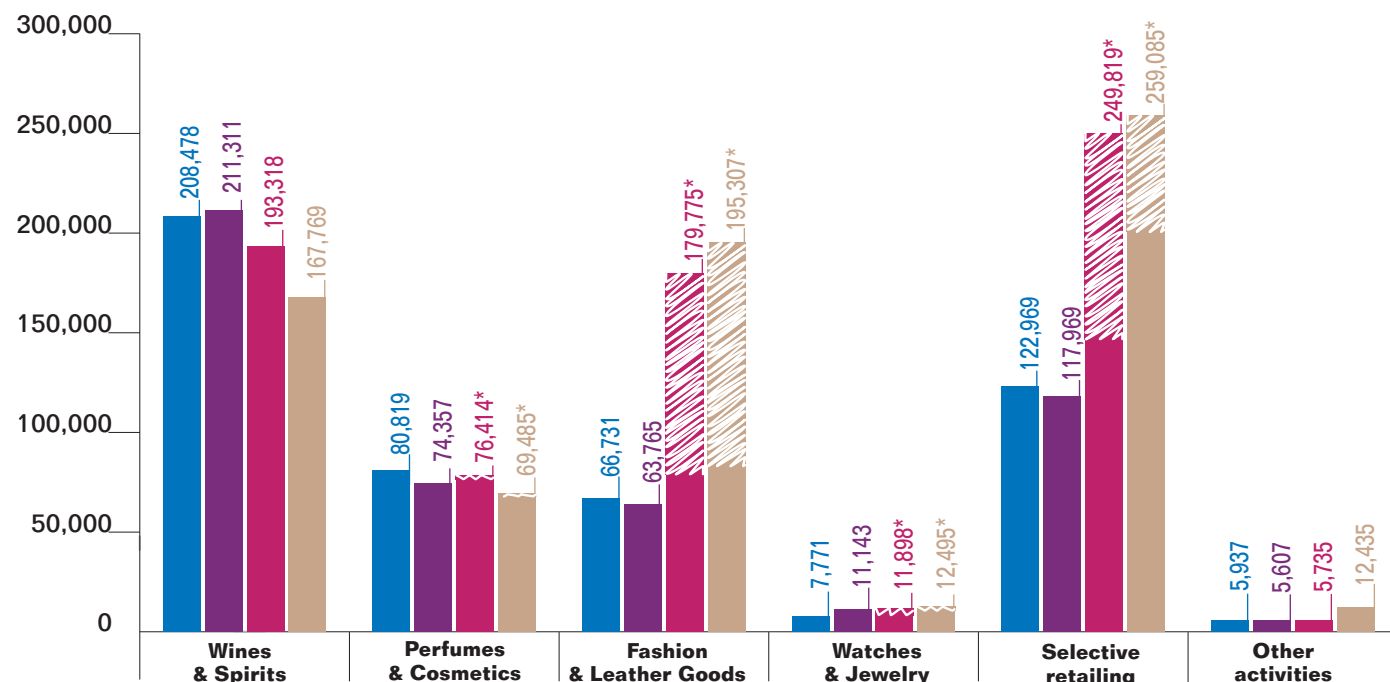


Change in Energy consumption (in MWh)



* Estimates of energy consumption for sales areas excluded from the scope or reporting and audit (50% in 2009 and 62% 2008) are shown separately: 180,638 MWh in 2009 and 214,163 MWh in 2008. The increase in 2008 is primarily related to the estimate of energy consumption for the sales areas excluded from the scope. More detailed information is available in the graph showing energy consumption by sector. The values shown correspond to the total primary energy sources used internally (i.e. the combustion of which occurs on the Group's sites: fuel oil, butane, propane and natural gas) and secondary sources used externally (converted energy sources generated by combustion outside the site).

Change in energy consumption by sector (in MWh)

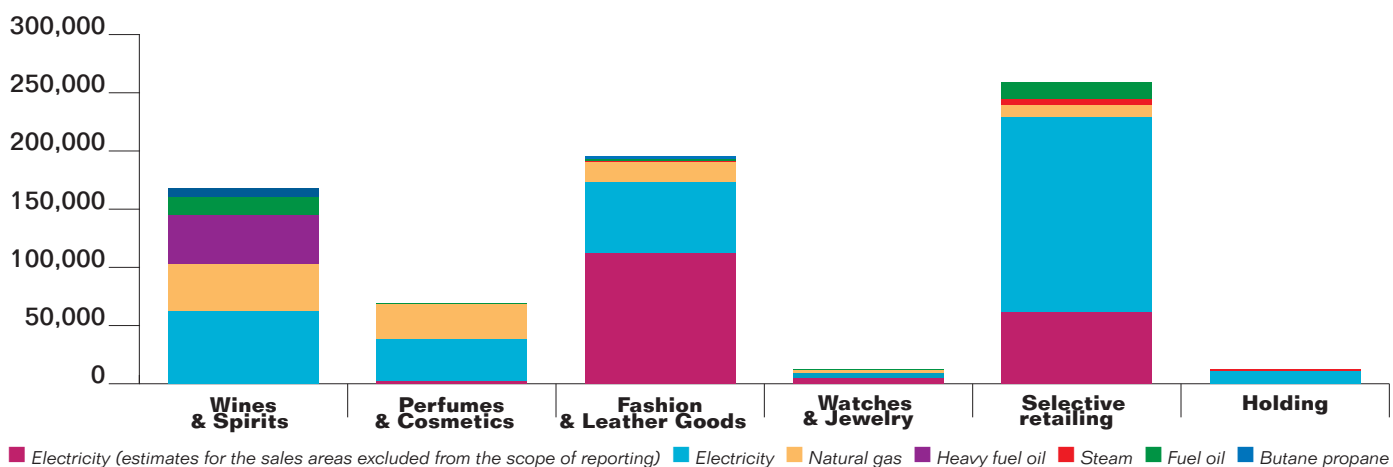


* Estimates of energy consumption for sales areas excluded from the scope of reporting and audit (50% in 2009 and 62% 2008) are shown separately.

■ Energy consumption (MWh) in 2006 ■ Energy consumption (MWh) in 2007 ■ Energy consumption (MWh) in 2008 ■ Energy consumption (MWh) in 2009

Wines & Spirits: Decrease related to the decline in business and the sale of Glen Moray for the Wines and Spirits business group.
Fashion & Leather Goods: Change related to the increase in business and the consolidation of new Loewe and Louis Vuitton sites.
Selective retailing: Change related to the consolidation of new DFS and Sephora North America stores.
Other activities: Change related to the consolidation of Les Echos and new Moët-Hennessy buildings

Energy consumption by sector and by source in 2009 (in MWh)

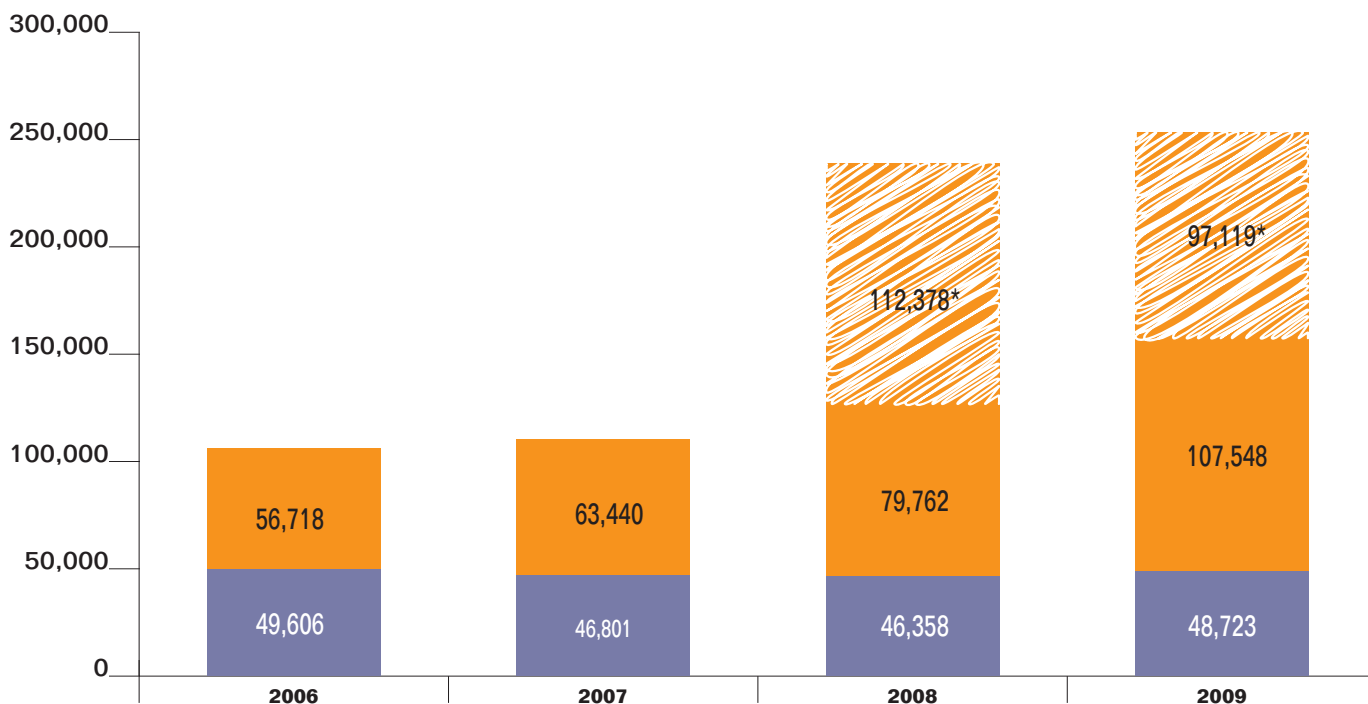


ATMOSPHERIC EMISSIONS

Greenhouse gases are the only significant air emissions from the Group's activities. These emissions are primarily attributable to energy consumption on our sites as well as to transport activities. Emissions generated by these sites are estimated in metric tons of CO₂ (carbon dioxide) equivalent and include direct emissions (on-site energy production) and indirect emissions (from off-site production of electricity used by the sites). LVMH also actively monitors VOC (volatile organic compound) emissions, which impact the Spirits companies (Cognac and Whisky) through the evaporation of alcohol during aging in vats and, to a lesser extent, the Perfumes and Cosmetics and Fashion and Leather Goods companies which may use volatile substances (glues, solvents, etc.) in their fabrication processes. Greenhouse gas emissions rose 24% in 2009 (156,271 tons of equivalent CO₂ equivalent in 2009 compared with 126,120 tons of CO₂ equivalent in 2008). This increase is due to the addition of new sites. 50% of the sales areas (Selective retailing, Fashion and Leather Goods, Perfumes and Cosmetics, and Wines and Spirits) were not included in the consolidated financial statements; it is estimated that they generated greenhouse gas emissions of 97,119 metric tons of CO₂ equivalent. The DFS and Sephora boutiques contribute significantly to

electricity consumption, and even more to greenhouse gas emissions. This situation is due to their geographic location: the boutiques are located in countries (Australia, China, New Zealand and the United States in particular) where CO₂ emissions are proportionately higher than they are in France for the same level of electricity consumption. An awareness of climate change has long been part of the policy of LVMH, which was a true pioneer when it completed its first Carbon Footprints in 2002 at Hennessy, Parfums Christian Dior, Louis Vuitton, Moët & Chandon and Veuve Clicquot. As of this date, all the Group's major Houses have completed their footprints, and are working to implement priority initiatives for the production of packaging, product shipments, and energy consumption in the production sites and stores. Every year, the "Carbon Disclosure Project" questions the companies about how climate change is being integrated in their strategy and about their performance in terms of reducing greenhouse gas emissions. The Carbon Disclosure Leadership Index (CDLI) lists the companies that have demonstrated the greatest transparency and the highest quality response: LVMH earned a grade of 72% and is listed in the Carbon Disclosure Leadership Index France (the average earned by the SBF120 companies was 56%).

Change in greenhouse gas emissions in (in metric tons of CO₂ equivalent)



* Estimates of greenhouse gas emissions for the sales areas excluded from the scope of reporting and audit (50% in 2009 and 62% in 2008) are shown separately. The increase in 2009 is primarily related to the increase in the number of stores.

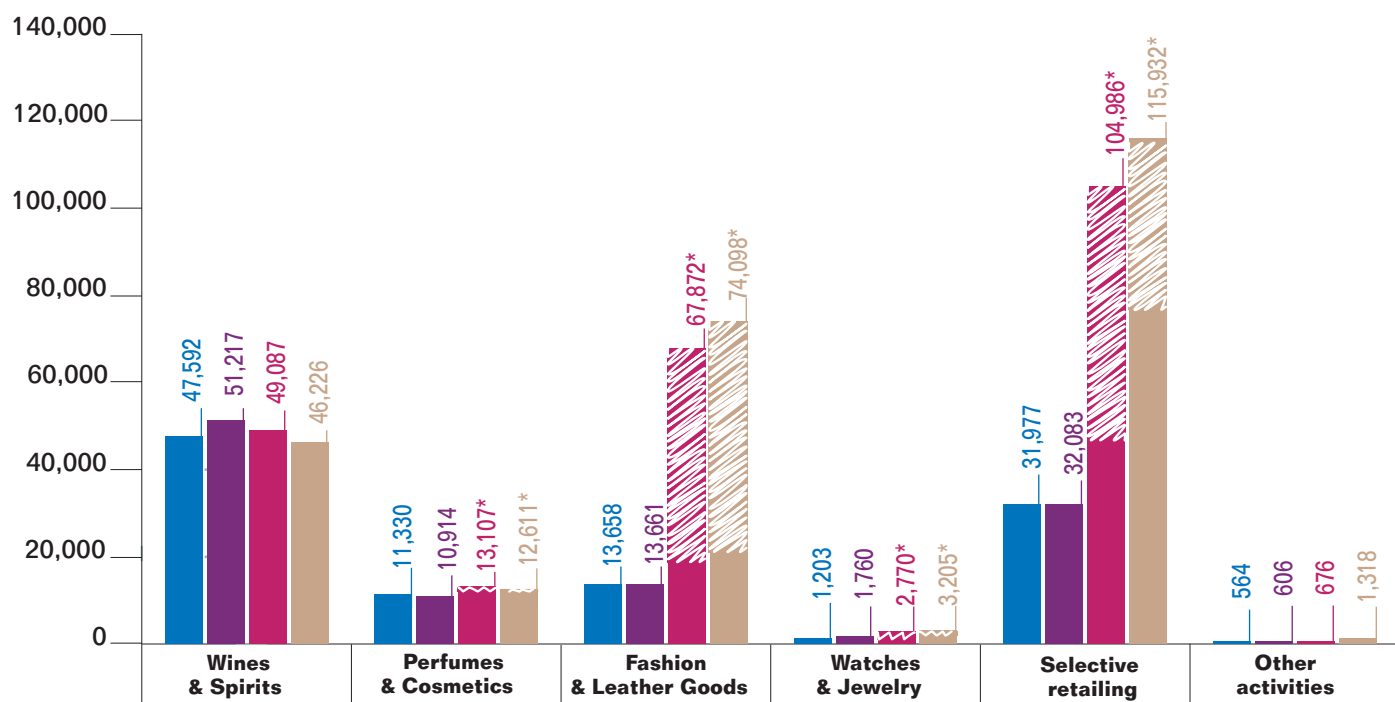
More detailed explanations are provided in the graph on CO₂ emissions by sector.

■ Metric tons of direct CO₂ equivalent ■ Metric tons of indirect CO₂ equivalent ▨ Metric tons of indirect CO₂ equivalent estimated for the sales areas excluded from the scope of reporting

Comment by Ernst & Young: The primary environmental impacts of the retail sales operations of the LVMH Group relate to energy consumption (for lighting, heat and air conditioning), water consumption (for sanitary needs and air conditioning) and, to a lesser extent, waste production. The LVMH Group has nearly 2,300 stores throughout the world, including the leading Sephora, DFS and Louis Vuitton brands. The density of this retail network results in complexity in the environmental reporting and leads

LVMH to extrapolate environmental indicators for some of this network on the basis of ratios per unit of sales area. This year, the stores which responded directly in the environmental report (i.e. without estimates) accounted for 50% of the sales areas for energy consumption and 28% for water consumption. Since 2001, we have noted an increasing effort by LVMH to progressively reduce the proportion of stores for which estimates are provided and to improve the accuracy of the ratios used in the extrapolation.

Change in greenhouse gas emissions by sector (in metric tons of CO₂ equivalent)



* Estimates of greenhouse gas emissions for sales areas excluded from the scope of reporting and audit (50% in 2009 and 62% in 2008) are shown separately.

■ 2006 ■ 2007 ■ 2008 ■ 2009

Fashion & Leather Goods: Change related to the increase in business and the consolidation of new Loewe and Louis Vuitton sites.
Selective retailing: Change related to the consolidation of new DFS and Sephora North America stores.
Other activities: Change related to the consolidation of Les Echos and new Moët-Hennessy buildings.

Details of direct and indirect emissions by year

	2009		2008		2007		2006	
	Metric tons direct CO ₂ eq	Metric tons indirect CO ₂ eq	Metric tons direct CO ₂ eq	Metric tons indirect CO ₂ eq	Metric tons direct CO ₂ eq	Metric tons indirect CO ₂ eq	Metric tons direct CO ₂ eq	Metric tons indirect CO ₂ eq
Wines & Spirits	29,161	17,065	28,315	20,772	30,852	20,365	32,001	15,591
Perfumes & Cosmetics	6,953	5,658	7,052	6,055	7,580	3,334	8,171	3,159
Fashion & Leather Goods	4,935	69,163	4,315	63,557	4,203	9,458	5,919	7,739
Watches & Jewelry	736	2,469	757	2,013	1,625	135	989	214
Selective retailing	6,838	109,094	5,821	99,165	2,466	29,617	2,431	29,546
Other activities	100	1,218	98	578	75	531	95	469

* These figures include estimated data for sales areas.

Transport activities also generate CO₂, the most significant greenhouse gas. Although transport is not carried out directly by the Group's companies, it is nevertheless subject to specific measurements. It is important to note that ships are a mode of transport that emits on average 85 times fewer greenhouse gases than planes. Ships are currently the Group's primary means for making improvements in this area. The Group has initiated detailed reporting on transport activities:

- upstream transport: transport of components from suppliers' sites to the Group's manufacturing sites. In the initial phase, only the principal components (bottles, leather, flasks, etc.) have been included.

- downstream transport: transport of finished products from manufacturing sites to distribution platforms. Results are already available for the Group's principal companies.

The following were consolidated this year: Moët & Chandon, Veuve Clicquot, Hennessy, Belvedere, Glenmorangie, Cloudy Bay, Cape Mentelle, Chandon Australia, Bodegas Chandon,

Louis Vuitton, Céline, Parfums Christian Dior, Parfums Givenchy, Parfums Kenzo, Guerlain, Make Up For Ever, Cortech, Les Ateliers Horlogers and TAG Heuer: This reporting system will continue to be improved in coming years.

Hennessy continues to favor transporting its finished products by ship: measured in metric tons/kilometers, 92% of Hennessy's products were shipped by sea, 6% by road, and 2% by rail. In Champagne, a logistics platform shared by all the champagne Houses optimizes the efficiency of the transport phase and facilitates maximum use of maritime transport (over 90% in metric tons/kilometers).

Sephora decided to use electric transport to deliver to more than 80% of its 250 French stores. After Louis Vuitton, which in 2008 expanded its shipments by inland waterway, and Guerlain, which continues to improve its shipping ratio (over 60% in 2009, up from 50% for 2008), Hennessy adopted piggy-back rail shipments from Cognac in May. In time, these transport links will impact 50% of products shipped.

Upstream transport in 2009

CO₂ emissions in metric tons

	Total Wines and Spirits	Total Fashion and Leather Goods	Total Perfumes and Cosmetics	Total Watches and Jewelry
Road	15,336	1,551	1,719	6
Rail	6	16	0	0
Air	1,547	351	6,924	1,053
Boat	4,814	12	1,095	0
Total	21,703	1,930	9,738	1,059

Downstream transport in 2009

CO₂ emissions in metric tons

	Total Wines and Spirits	Total Fashion and Leather Goods	Total Perfumes and Cosmetics	Total Watches and Jewelry
Road	19,389	1,517	4,597	28
Rail	400	16	0	1,027
Air	15,563	82,547	70,063	807
Boat	41,018	547	3,658	36
Total	76,370	84,627	78,318	1,898

Comment by Ernst & Young: The shipment of goods is one of the principal impacts of LVMH's operations on climate change. The Group has therefore defined a "downstream transport" indicator so that it can quantify the CO₂ emissions related to the shipment of finished products between the production site and the retail stores. There are a number of difficulties in calculating this indicator, which requires precise knowledge of the logistics arrangements between the different production sites, warehouses and stores. A large number of improvements have been made

since this indicator was created, resulting in a gradual extension of the scope of the measurement and the growing reliability of this information.

The methodology for calculating this indicator is still being optimized within the Group, particularly with regard to questions concerning scope, emissions factors or the liability of the carrier for the data. The plan is that this indicator will eventually be covered by our audit work.

In 2009, the business vehicle fleets of the Group's companies consumed 2,431,461 liters (compared to 2,716,159 liters in 2008), representing 2,154,517 liters of diesel and 276,944 liters of premium gasoline. This represents 7,125 metric tons of CO₂ emissions.

Make Up For Ever initiated the process in September 2009. In the same spirit, Domaine Chandon Australia calculated its greenhouse gas emissions so that it could offer carbon-neutral products. And, of course, Guerlain, Parfums Christian Dior, Parfums Kenzo, Parfums Givenchy and Louis Vuitton have also completed their Carbon Footprints.

New Carbon Footprints completed

While Veuve Clicquot, Moët & Chandon and Hennessy are finalizing the update of their Carbon Footprint, Le Bon Marché, DFS and Sephora completed theirs in 2009. Le Bon Marché has set objectives for several years and will conduct computerized and virtually continuous tracking of its emissions.

The action vectors identified for its three companies, Le Bon Marché, La Grande Epicerie and Franck & Fils, include in particular energy and material savings. As a result, a general study of bagging has just been launched.

At DFS, the main area for improvement identified is reducing the proportion of air freight in the shipment of goods between suppliers and warehouses. Another major vector for action is energy consumption in the stores. The DFS store in Guam, for instance, which already reduced its consumption by 1 million kWh in 2008, again successfully reduced it by 448,000 kWh in 2009 by increasing awareness initiatives and by installing energy-efficient lighting and air conditioning systems.

At Sephora, the assessment includes all stores and products sold, which generated a total of 264,000 metric tons of CO₂ equivalent in 2008. The analysis identified four primary areas of improvement: internal energy, employee travel, incoming materials and freight. The brand set a reduction goal of 21% by 2012, which exceeds the European objective adopted in the French Environmental Grenelle. To achieve this reduction, Sephora plans to give priority to energy, travel and freight. For both companies, work on these elements must go hand in hand with meeting customer expectations.

Simplified dress code to limit air conditioning

At both Louis Vuitton and TAG Heuer, the trend is now a summer dress code in order to reduce the use of air conditioning and the related greenhouse gas emissions. Louis Vuitton has succeeded in establishing the principle in certain regions, including China, while TAG Heuer has made it a general principle in hot countries.



Sephora store now LEED certified in the United States.

INTEGRATION OF THE ENVIRONMENT IN CONSTRUCTION

Taking the environment into account in building design and management is an important tool for minimizing the environmental impact of a structure throughout its entire life cycle. The LVMH Group has made a powerful commitment: industrial sites, logistics warehouses, administrative buildings or stores – each construction project within the Group includes a concern for the environment, even during renovations. The renovation of the Hôtel du Marc, the historic Veuve Clicquot landmark in Reims, was one of the highlights of last year. The mansion commissioned by Madame Clicquot in 1840 was the site of a particularly outstanding renovation that combined three technologies to achieve exceptional energy performance for a building dating from this era. In fact, 80% of the heating and air conditioning is provided by a geothermal system operated by a heat pump with a ground-coupled heat exchanger. Hot water needs are 55% covered by solar panels installed on the outside walls, not on the roof, in order to comply with the wishes of the Building Architects of France. Finally, the Hôtel du Marc's carbon footprint is 13 tons of CO₂ equivalent, compared with 115.4 previously. Heating oil is no longer used and the remaining emissions will be offset, the result being a carbon neutral building.



The new Hublot Swiss watchmaking site.

In the United States, Sephora USA completed its first "LEED" store in Stonestown, California. This "Leadership in Energy and Environmental Design" certification is awarded by the Green Building Council for voluntary eco-construction operations. From construction materials to water consumption, from waste recycling and the installation of bicycle racks to energy performance, everything was optimized to reduce the impact of the life of the store. At the same time, eight Sephora US employees earned "LEED accredited professional" certification, allowing them to assist in the company's certification projects. Louis Vuitton, for its part, is increasingly integrating renewable energy sources at its various sites. For example, its Fiesso workshop in Italy is now heated and cooled using geothermy and its hot water is produced by solar panels. And, while the Barbera workshop in Spain is already equipped with photovoltaic panels, the Cergy warehouse decided to install 2,000 m² of photovoltaic membranes that will cut its electricity bill in half. Hublot's new Swiss watchmaking site installed thermal solar panels to heat the hot water for its bathrooms and is implementing a large number of energy-efficient tech-

nologies, including heat recovery ventilation systems. Finally, along with energy from the sun and the earth, wind energy also has pride of place within the Group: indeed, Cloudy Bay is currently testing a small wind turbine to power its maintenance shop.

BIODIVERSITY

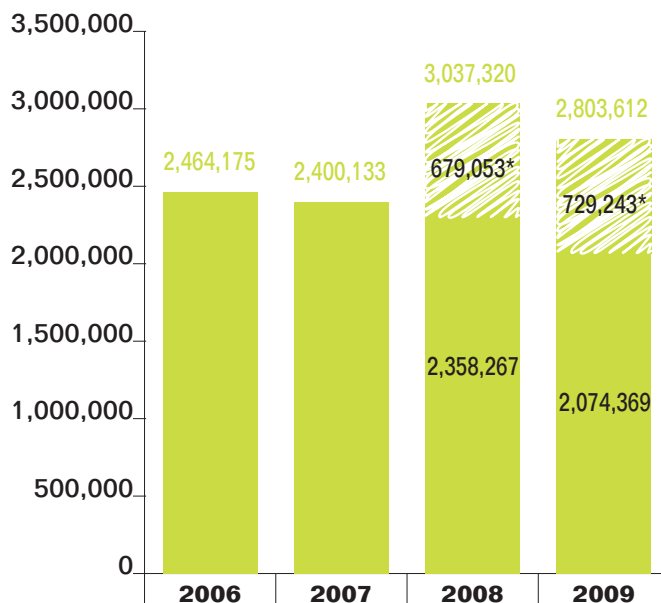
For most of the Group's Houses, the living world is a vital resource for product development. LVMH has initiated a number of programs to preserve biodiversity, including integrated grape growing and ethnobotany. In 2009, it completed a study measuring the dependence of its businesses on biodiversity. The Group is also heavily involved in the Foundation for Research on Biodiversity. The principal objective of this Foundation is to create synergies between French research and the challenges of society as part of a dialogue between science and society. All LVMH's major initiatives in this area are described in the special update at the beginning of this report.

WATER CONSUMPTION

Water consumption by the LVMH Group companies is used for two very distinct purposes:

- **Process requirements:** various cleaning activities (tanks, products, equipment, floors), air conditioning, use by employees, the manufacturing of products, etc. Water consumed in these ways produces wastewater.
- **Agricultural requirements:** vine irrigation outside of France (vine irrigation is not practiced in France). Water is taken directly from the natural environment. Usage varies from year to year based on climatic conditions. Using water for irrigation is necessary to maintain vineyards in California, Argentina, Australia and New Zealand. It should be noted that water consumption for agricultural needs of the sites is more unpredictable than water consumption for process requirements. Irrigation, which is closely regulated by the local authorities that issue permits for water use, is subject to many measures aimed at controlling the practice:

Change in water consumption for process requirements (in m³)



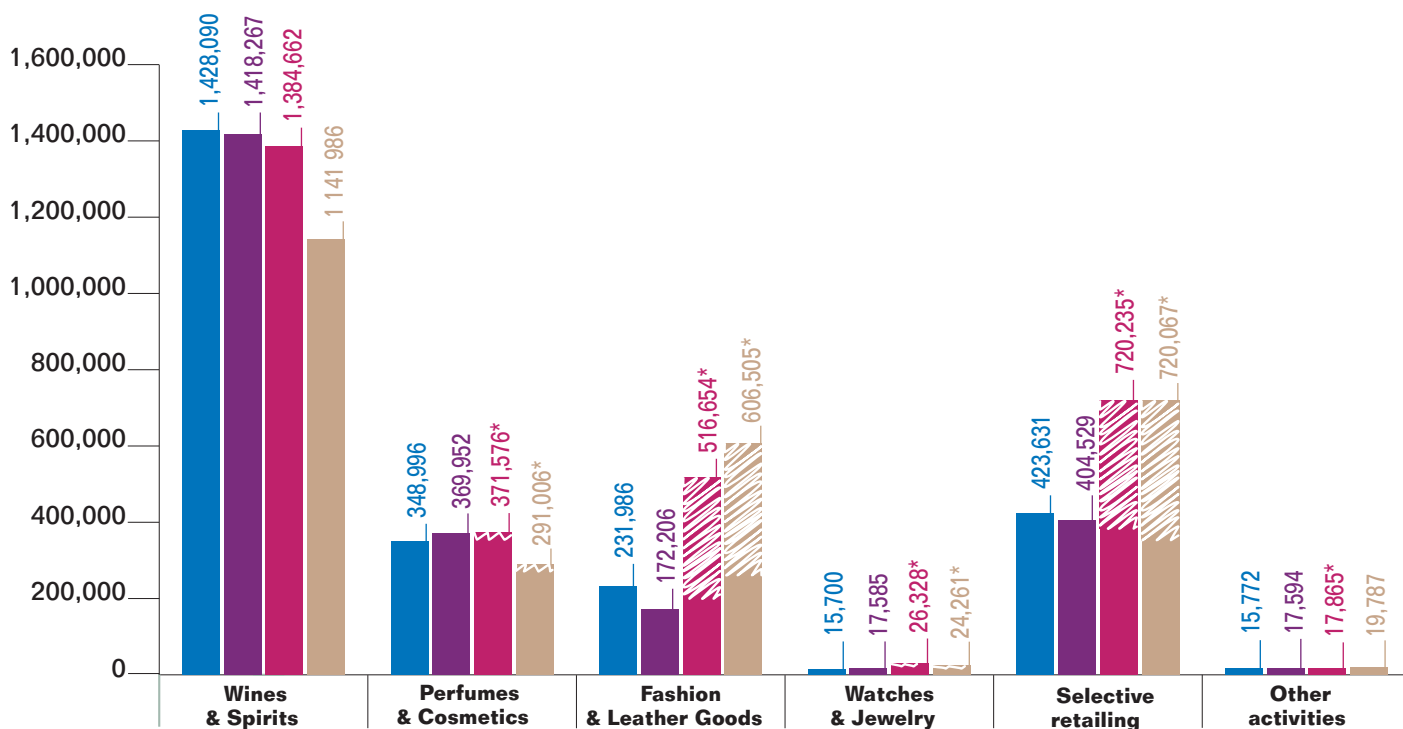
* Estimates for water consumption for sales areas excluded from the scope of reporting and audit (72% in 2009 and 62% in 2008) are shown separately.

- **Recovery of rainwater** (Domaine Chandon California, Domaine Chandon Australia, Bodegas Chandon Argentina), reuse of treated wastewater (Domaine Chandon Carneros, California), and recovery of runoff water using artificial lakes (Newton).
- **Establishment of measurement standards and description of water requirements** analyses of moisture of ground, leaves, visual inspection of vines, adapting water supply to the needs of each plot of land (Domaine Chandon Australia).
- **General irrigation practices** (where applicable) using drip irrigation (between 73% and 100% of irrigated vineyards use this method).
- **Weather forecasting** to optimize irrigation practices (weather stations installed in Domaine Chandon California).

- **Periodic inspections** of irrigation systems to prevent the risk of leaks.
- **Practicing “reduced loss irrigation”**, which both limits the amount of water used and improves the quality of the grapes (controlling the size of the grape enhances the concentration of its aromas and its color).

In 2009, the Group’s companies used 6,539,212 m³ of water to irrigate vines (versus 6,813,268 m³ in 2008). Process requirements in 2009 were 2,074,369 m³ (versus 2,358,267 m³ in 2008). 72% of the sales areas (Selective retailing, Fashion and Leather Goods, Perfumes and Cosmetics) are excluded from the scope of reporting; their water consumption is estimated at 729,243 m³.

Change in water consumption by sector (in m³)



* Estimates for water consumption for the sales areas excluded from the scope of reporting and audit (72% in 2009 and 62% in 2008) are shown separately.

■ 2006 ■ 2007 ■ 2008 ■ 2009

Water availability is a vital challenge both locally and globally. An increasing number of initiatives are underway to reduce consumption. Water, a particularly precious resource for the Group’s businesses, especially for the Wines and Spirits and Perfumes and Cosmetics businesses, is the subject of intense scrutiny: every year, ambitious goals are set to reduce water consumption and efforts are redoubled to limit discharges. All this assumes that the best technologies available are used, including recycling equipment, more efficient processes, closed systems, or even systems without any discharge. This is the case for Estates &

Wines companies generally located in regions that are subject to strong water stresses. Bodegas Chandon in Argentina, for example, reuses 100% of its waste water after purification for its irrigation needs. As for Domaine Chandon California, it has installed a whole line of equipment to reuse water at the level of the heat exchangers, in the tank cleaning and disinfection circuits, and during tank repair operations through an electro dialysis system. The company launched a project to reduce its water consumption by 10% for wine-making operations, a volume estimated at an average 95,000 liters per day. Finally, Domaine Chandon Australia in 2009 installed a new

overflow system that will save 25,000 liters of water a day compared with the old system. But using the best technologies available is not just something that happens with the Wines and Spirits brands. Louis Vuitton has installed in most of its workshops cleaning fountains that operate using enzymes that require no water consumption and therefore generate no discharge. In the Watches and Jewelry business group, TAG Heuer has just installed an innovative process for laser stamping metals, which saves no less than 900 liters of water per hour.

WATER DISCHARGES

The only significant relevant discharges are releases of organic substances associated with eutrophication (excessive algae and water plant growth) into the water. These substances are measured by the chemical oxygen demand (COD). This is calculated after treatment of the discharges in plants owned or shared by the Group. “Treatment” refers to community or independent treatment (aeration basins) and land applica-

COD is actively monitored on all sites of the Wines and Spirits and Perfumes and Cosmetics companies. These companies measure the level on a regular basis, sometimes even daily during periods of large, concentrated discharges (e.g. harvest time for Wines and Spirits). At its Terrazas De Los Andes site, Bodegas Chandon installed its new purification station. The level of treatment allows the treated water to be reused

for irrigating green areas. Glenmorangie, which began work on its Tain distillery, studied the best technologies available in order to reduce the volume of effluent from its distilleries; in an effort to exceed the standards set by the Scottish environmental protection agency, it is considering even more efficient alternatives.

COD after treatment in metric tons/year

Sector	2009	2008	2007	2006
Wines & Spirits	3,291.2 ⁽¹⁾	1,395.9 ⁽³⁾	1,996.5	2,696.7
Perfumes and Cosmetics	14.2 ⁽²⁾	16.1	102.0	8.8
Total	3,304.4	1,412	2,098.5	2,705.5

(1) Change related to the increase in operations and improved measurement of discharge at a Glenmorangie site.

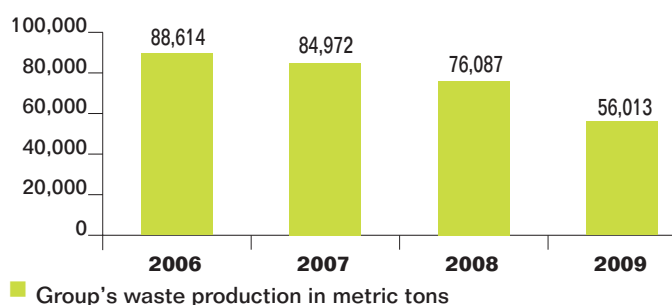
(2) Change related to a decline in activity and improved tracking of discharge.

(3) Change related to the temporary closure of a site for work and the change in the scope of consolidation.

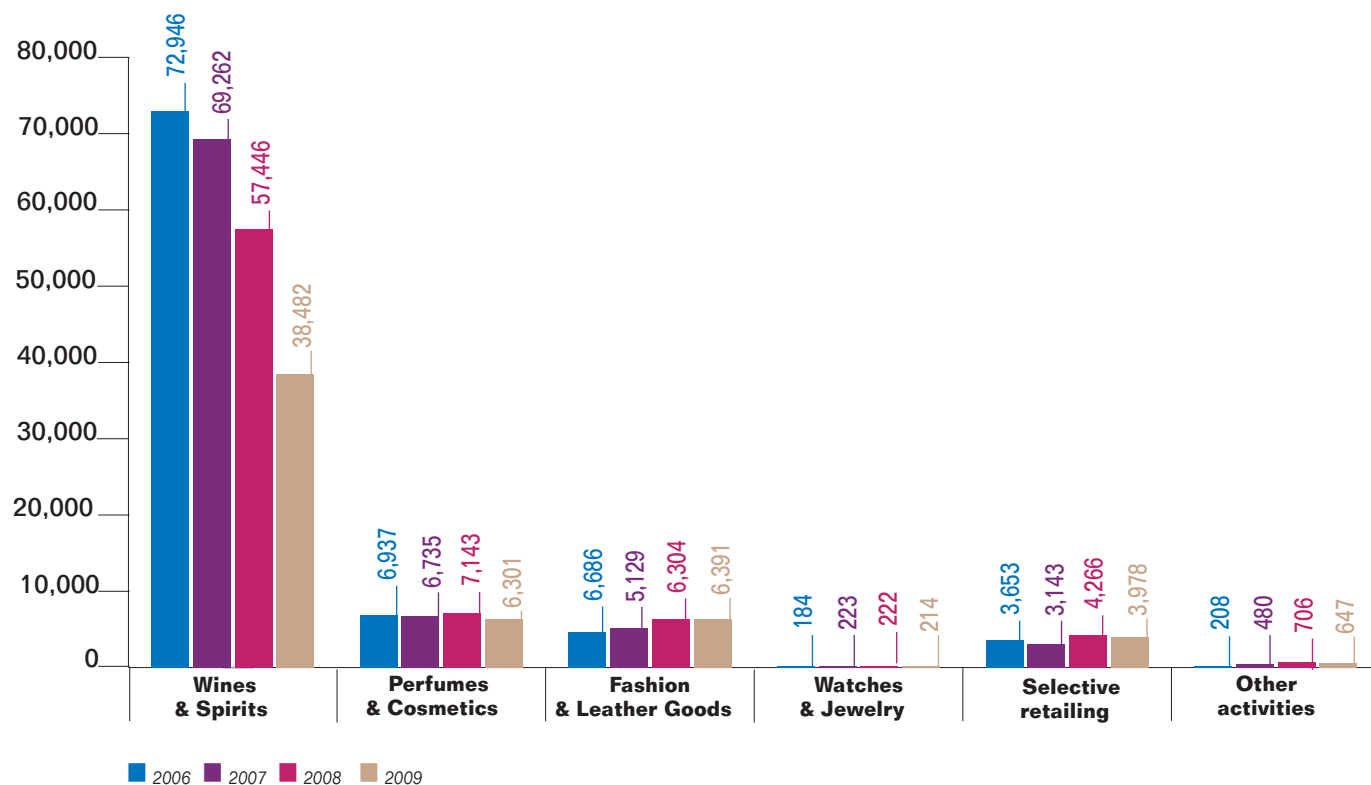
WASTE RECOVERY

In 2009, a total of 56,013 metric tons of waste was produced by the companies in the Group, 26% less than in 2008 due to the decline in activity from the sale of Glen Moray. In 2009, metric tonnage by sector was as follows:

Change in waste production (in metric tons)



Change in waste production by sector (in metric tons)



Wines & Spirits: Reduction related to the decline in activity and the sale of Glen Moray for the Wines and Spirits business group.

Hazardous waste is waste that requires sorting and treatment separate from “household” waste (cardboard, plastic, wood, paper, etc.):

Business groups	Hazardous waste (metric tons) in 2009	Hazardous waste (metric tons) in 2008	Hazardous waste (metric tons) in 2007	Hazardous waste (metric tons) in 2006
Wines & Spirits	146	192	108	136
Fashion & Leather Goods	61	64	67	56
Perfumes & Cosmetics ^(a)	767	738	701	479
Watches & Jewelry	14	27	24	8
Selective retailing	17	12	14	41
Other activities		1	1	0
TOTAL (metric tons)	1,005	1,034	915	720

(a) Certain products removed from the production circuit are classified as hazardous waste and are treated in the “hazardous waste” sector to prevent any infringement..

The various Group companies are continuing their initiatives to reduce waste at source and sort it..

A first in the luxury goods industry: a shared recycling platform

In order to reduce the use of incineration, the Perfumes and Cosmetics business group implemented a program to recycle the waste from perfume testers, quality scrap materials and point of sale advertising at a shared platform in Pithiviers, in Cosmetic Valley, the French industrial complex entirely dedicated to the cosmetics industry. This initiative, a first in the luxury sector, is one of a series of environmental and social commitments made by the Group when it signed the “Eco-Responsible Cosmetic Valley” Charter in October 2009. In time, it may be opened to the waste products from other Group companies.

ReCork—the cork recycling program

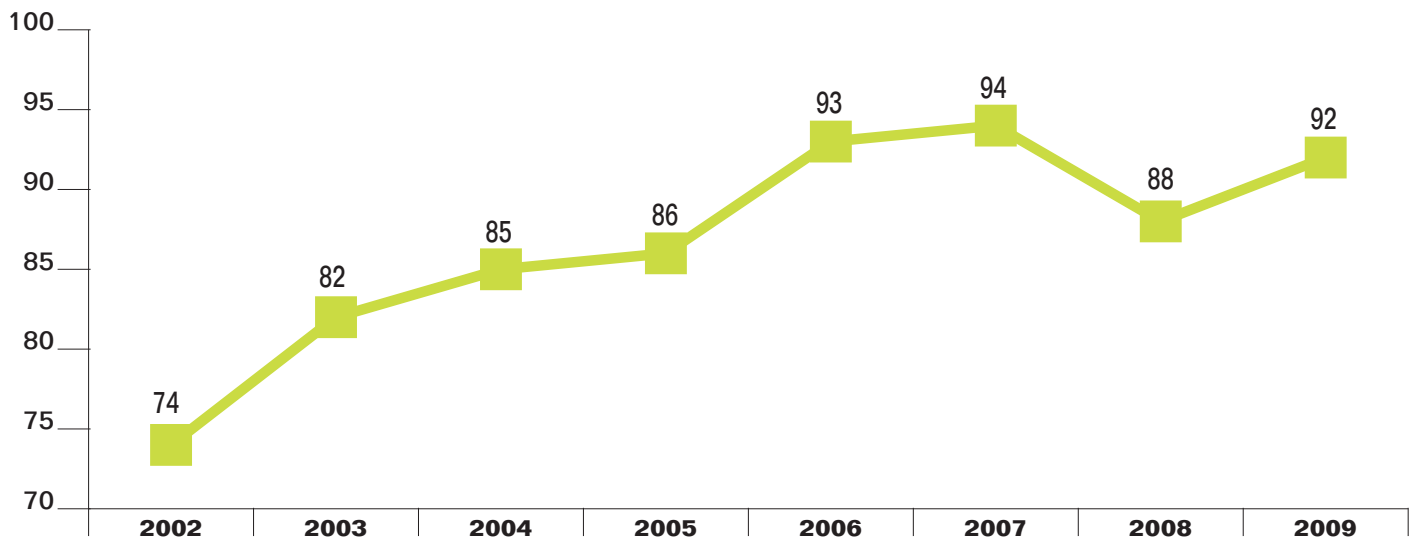
Domaine Chandon California is actively participating in the new “ReCork” cork recycling program. In 2009, more than 500 kg of natural cork, waste from the bottling line, restaurant and tasting rooms, were recycled through various projects: floor coverings, shoe soles, information boards, art classes and creative projects in schools. The company provides a public recycling point where customers, employees and local residents are invited to drop off their used corks. Other projects have also allowed Domaine Chandon California to achieve a waste recycling rate of about 95%.

Recycling of waste produced by the LVMH Group sites in 2009

	Percentage of waste recycled			
	Reused	Materials recycled	Incinerated with energy recovery	% Total recycled
Wines & Spirits	40	55	3	98
Fashion and Leather Goods	2	42	20	64
Perfumes & Cosmetics	5	56	33	94
Watches and Jewelry		37	37	74
Selective retailing	6	42	35	83
Other activities	0	7	93	100
Total	29	52	11	92



Percentage of waste recycled



In 2009, 92% of the waste was recycled (88% in 2008).

MANAGING ENVIRONMENTAL RISKS

Managing the environmental risks resulting from its operations in the safest possible way is an absolute priority for LVMH, which is taking action in four areas: systematic identification of risks, organization of prevention, protection of industrial assets and people, and deployment of a crisis management procedure. This initiative is being conducted by the qualified professionals in the various companies (safety, quality and environmental officers) who collaborate closely with outside specialists. They pay particular attention to the risks associated with the storage and shipment of raw materials.

- Reducing industrial risks includes a policy of prevention, which means compliance with the highest safety standards. LVMH applies the HPR (highly protected risk) standards to significantly reduce fire risks. A program has been implemented to encourage investment in prevention given also that the levels of this kind of investment are considered by insurers in their risk assessment. This approach is combined with a program to monitor industrial and environmental risks, under which 30 sites were audited in 2009 (30 sites audited in 2008).

- The prevention of product-related risks is ensured by enhanced safety and traceability. The HACCP (Hazard Analysis Critical Control Point) method is used in the Wines & Spirits and Perfumes & Cosmetics business groups. This method increases the ability to anticipate and react in the event of a product recall. A legal watch has also been established to control any change in liability risks, particularly those that could affect the Group's brands. One illustration of this approach is the Hennessy guide to best practices, which is intended for 250 on-site service providers and covers three components: environment, food safety and security. Hennessy has also published color safety data sheet summaries which are clear and easy to understand at a glance so that employees know what precautions should be taken at any time and how to react in each situation. These sheets, which are displayed at the workstations, can also be carried in employees' pockets.

- The correct application of this policy is controlled through a

large number of risk assessments at the sites along with regular reporting. As a result, the relevance of the risk management policy can be measured and evaluated.

Since 2004, the Group has used a risk mapping tool which systematically identifies its industrial, environmental and operational risks on the basis of common standards. Ranking these risks clearly indicates the cases that must be treated as a priority. This information and warning tool ensures early action to reduce the probability that the dangers identified will occur.

In 2009, 23% of the industrial, logistics or administrative sites were audited, representing 42 outside audits and 71 internal audits. An audit is a control conducted at one or more sites of a company that covers all the environmental problems that might exist at the site, such as waste, water and energy management or environmental management; it results in a written report and recommendations.

THE ENVIRONMENT: A WORTHWHILE INVESTMENT

The cost of the environmental policy is hard to evaluate. First, it is a commitment, a desire: increasing awareness of employees and suppliers, reducing packaging, new transport methods, a High Environmental Quality building - all these approaches come at a cost but they all result in savings in the short, medium and long term. Under these conditions, it is difficult to calculate the exact figures for the many programs conducted at all levels by the 60 or so Group brands.

In 2009, the amount of expenditures related directly to environmental protection breaks down as follows:

- operating expenses: 5.6 million euros (7.1 million in 2008);
- Investments: 2.3 million euros (5.1 million in 2008).

There was no provision in 2009 for environmental risks.

The environmental expense item was recognized in accordance with the recommendations in the opinion from the French National Accounting Board (CNC). Operating expenses and investments were carried forward for each of the following items:

- protection of the ambient air and climate,
- waste water management,
- waste management,
- protection and clean-up of the soil, underground water and surface water.
- protection against noise and vibrations,
- protection of biodiversity and the landscape; ,
- protection against radiation,
- research and development,
- other environmental protection activities.

CONVINCING INVESTORS

It is difficult to evaluate the cost of the environmental policy. Initially, it is a commitment, a conviction, training hours and investments. However, over the years, adopting green practices reduces water or electricity consumption, and less packaging reduces shipping costs. All these measures result in savings. These actions take place under the watchful eye of the agencies that study best practices.

Every year, the "Carbon Disclosure Project" questions companies about how they are integrated climate change in their strategy and about their performance in terms of reducing greenhouse gas emissions: The "Carbon Disclosure Leadership Index" (CDLI) lists the companies that have demonstrated the greatest transparency and the highest quality response: In 2009, LVMH obtained a grade of 72% and is listed in the Carbon Disclosure Leadership Index France; the average earned by companies in the SBF120 index was 56%.



LVMH received dual recognition in the SAM Sustainability Yearbook 2010 (evaluation given at October 31, 2009) in the "Clothing, Accessories & Footwear"

category as a member of the "SAM Silver Class" and as a "SAM Sector Mover" (recognition of significant progress in the course of the year). Finally, LVMH is also included in the FTSE4Good index.



Comment by Ernst & Young: Since 2003, the LVMH Group has had its environmental reporting voluntarily and independently audited by Ernst & Young, one of the Group's auditors, in accordance with ISAE 3000 (the International Standard on Assurance Engagement 3000 of the International Federation of Accountants). For fiscal 2009, the work focused on a selection of 9 indicators relating to the challenges the LVMH Group believes are key (en-

vironmental audits, water and energy consumption, CO₂ emissions, COD discharge, production and recycling of waste, packaging marketed). During our work, we directly verified the indicators for a sample of entities representing an average 65% of the total value of the indicators published by LVMH. Our conclusions are presented in the reasonable assurance report on page 34.



Each jeweled bee in the "Attrape-moi... si tu m'aimes" collection from Chaumet helps to support the Terre d'Abeilles association in its efforts to preserve bees and develop apiaries. With the association, Chaumet supports the program to protect the Black Bee and projects to protect the bee and include it in UNESCO's natural heritage.



Products at the very heart of what we do

LVMH shares with its partners, suppliers, investors and customers its desire to act to protect the environment and to integrate the environment in the design, manufacture and shipment of its products. Consumer protection and health are also a key concern in the studies conducted in the Wines and Spirits and Perfumes and Cosmetics business groups.

FORMALIZED REQUIREMENTS FOR OUR SUPPLIERS

In an effort to ensure consistency between its internal commitments and those of the companies with which it does business, the LVMH Group developed its Supplier Code of Conduct in 2008, with the aim of sharing with its suppliers its philosophy on social and environmental responsibility along with its working, control and audit methods. At the same time, the Group established a buyer task force which collectively deals with these issues. Supplier audits have been expanded. In the Wines and Spirits companies, for example, Hennessy audited seven of its dry materials suppliers and is conducting a performance review of 23 others in collaboration with the purchasing department. As part of its sustainable winegrowing policy, Veuve Clicquot offered its grape suppliers a new service for analyzing the processing schedules and organized a technical day on food safety at the Luxembourg vineyard (170 people attended) in addition to its meetings to increase awareness of Carbon Footprints and the Champagne Climate Plan. At Moët & Chandon, fourteen partner pressing centers were audited during the harvests and programs to increase awareness among grape delivery suppliers were continued,

with a private showing of the film “Les temps changent” [“Changing Climates, Changing Times”] during Sustainable Development Week. At the same time, Louis Vuitton, which developed its own Guide to Good Practices and is extending environmental clauses to its contracts with suppliers, service providers and subcontractors, in 2009 conducted supplier surveys and preliminary audits on social responsibility standard SA 8000 and on the environment. Other companies, including Guerlain, Donna Karan, Loewe, Hennessy and Moët & Chandon, followed this example and initiated environmental audit campaigns with their suppliers. In addition, the Group is an active member of the Responsible Jewellery Council. This international association, formed in 2005 with 130 representatives from the “gold and diamond” segment, works to make responsible ethical, social and environmental practices with respect for human rights widespread throughout the industry, from the extraction of materials to the sale of the finished products. Its certification tool offers both a reference system for the entire industry, a label of confidence for consumers, and a system that is credible because of the use of an independent outside audit agency.

GUARANTEEING MAXIMUM SAFETY OF PERFUMES AND COSMETICS

LVMH’s policy on the sensitive question of animal testing to evaluate the safety of its finished products is very clear: our objective is to ensure the safety of the consumer with our products while respecting animal life. This is why the Perfumes and Cosmetics companies within the LVMH Group in 1989 ended animal testing on products they market, long before the official ban in the European Union in 2004. The LVMH Group played a crucial role in developing alternatives to animal testing within the framework of European programs (EPAA, ECVAM, Colipa, 7th PCRD and others) or within research programs with university teams specializing in this area. With this strategy, the Group’s Perfumes & Cosmetics

companies responded to a twofold demand—consumer safety and respect for animal life.

Developing alternative methods is a real scientific challenge and the LVMH Group has made a commitment to continue to make every effort to comply with consumer safety and animal welfare legislation.

Moreover, the regulatory framework for cosmetics products changed with the adoption on November 30, 2009 of European Regulation (EC) 1223/2009 of the European Parliament and the Council of the European Union on cosmetic products. This legislation, most of which will take effect in July 2013, will replace Directive 76/768/EEC.

By adopting this new regulation, the Commission is pursuing a crucial objective, that a high level of cosmetic product safety is guaranteed in the future by strengthening the manufacturer's liability aspects (by clarifying minimum requirements for assessing product safety) and market oversight aspects (by adopting rules requiring the declaration of adverse effects to oversight authorities).

The LVMH Group has already been working for several months on establishing procedures so that it is ready when the new regulation takes effect. This directive is considered by experts to be one of the most stringent in the world regulating the marketing of cosmetics products. It regulates all substances used by the cosmetics industry and requires the completion of a risk assessment for each product, conducted by a qualified person responsible for this, taking into consideration the conditions under which the product is used.

In addition, the Scientific Committee on Consumer Products (SCCP) of the European Commission continually evaluates the safety of substances used in cosmetics products.

Other regulations will come into force in the coming months, including the new Globally Harmonized System (GHS) intended to harmonize the classification and labeling of chemicals. The LVMH Group is ready for application of this regulation and for the application of the REACH regulation, which modernizes European laws governing the registration, evaluation and authorization of chemicals

The LVMH Group is particularly vigilant in complying with regulations, opinions from scientific committees, and the recommendations from professional associations.

Not only do our products comply with the most stringent regulations in the world, such as those in the European Union, the United States and Japan, but they comply with regulations in all countries where they are marketed. They also comply with strict internal rules set by the Group as development criteria and which we require our suppliers to comply with.

The Group, which has held true to this commitment for several years, backs this policy up with an approach designed to anticipate changes in international regulations. As a result, LVMH refuses to use cosmetics ingredients that may be used elsewhere if the safety of those ingredients does not seem to be totally guaranteed. To ensure they can anticipate future regulations, the experts regularly participate in the working groups of national and European authorities and are extremely active in professional organizations. This dual work of keeping watch and anticipating changes in regulations has led the LVMH Group to ban a number of substances and reformulate certain products.

At an environmental level, growing scientific knowledge and changes in regulations sometimes lead us to substitute certain

ingredients. For example, it was decided to stop using triclosan in products because of its environmental risk, even though European scientific bodies (Executive Scientific Committee and the SCCP) provided favorable consumer safety assessments in 2002. Today, it has been completely eliminated from all products sold by the Group. This is also the case for phthalates and preservatives that generate formaldehyde.

"Cosmetic vigilance" to analyze consumer complaints

Complying with current regulations and anticipating future European directives by applying the most stringent rules is all part of the LVMH policy, which sets a very high standard for its specifications so that its cosmetics are completely safe. However, even that is not enough. In order to ensure that its creams and other perfumes are completely safe, the LVMH laboratories monitor them right up to the stage when they are used by consumers. A "cosmetic vigilance" unit is responsible for studying and analyzing all complaints. If there is a complaint of an intolerance or severe irritation, the customer is questioned, placed in contact with a specialized team that tries to identify with the customer the reasons for the irritation, and offered a consultation with a dermatologist. The entire investigation is recorded in the product file available to the authorities, and may result in new research to improve the composition of the product.

OFFERING PRODUCTS ORIGINATING IN ECO-DESIGN

Eco-design is increasingly important within the companies, which have appropriate tools and training that allow optimal consideration of environmental factors in product design. This includes the reduction of packaging weight and volume, the choice of components and raw materials, the use of more energy-efficient production processes, and even initiatives to comply with the Reach regulations.



Packaging, a major challenge for eco-design

The LVMH Group participates actively in the work conducted in France and internationally on environmental information for products. Designed to inform the public about the environmental impacts of these products, the information provided, such as greenhouse gas emissions generated during the product life cycle, will eventually be a criterion for consumer choices. In the Perfumes and Cosmetics companies, use of the environmental performance indicator (EPI), developed internally, is becoming more widespread. This indicator, created to evaluate, compare and improve the environmental performance of packaging, takes into account during the development phase the separability of materials, volume, weight, the use of refills, and the use of more environmentally friendly materials. A grade is given to each package and may lead to a review of some decisions. A Perfumes & Cosmetics eco-design committee was formed in 2009, with the objective of encouraging and facilitating eco-design processes by pooling efforts. As a result, after taking an inventory of practices, the committee worked to deploy the IPE index and organized eco-design training sessions for the purchasing, development and marketing teams. Eco-designed packaging had pride of place in 2009 in the Wines and Spirits business group, which introduced some noteworthy initiatives like Hennessy's Fine Cognac H2O project or the new type of bottle from Bodegas Chandon Argentina which reduced the weight of the glass by 5% to 20%. Veuve Clicquot also developed the Design Box, a new single-material box made of cardboard that comes from sustainably managed forests (FSC certification), optimized for weight and volume and completely recyclable. Inks, glues and solvents account for less than 5% of the total product weight. These boxes limit CO₂ emissions from shipping because they are delivered flat in reusable packaging and made directly on site in Reims. The Champagne House also uses new, lighter shipping crates, resulting in a total reduction of 55 tons of cardboard per year. At the same time, Louis Vuitton is finalizing its process to reduce and optimize shipping packaging for the Neverfull bag in three models: at the end of 2009,



it had reduced the volume by 64%. This process is combined with a comparative Carbon Footprint analysis of old and new packaging. According to initial results, nearly 1,200 metric tons of CO₂ equivalent were eliminated. Finally, Parfums Christian Dior now offers a refill for the products in its "Or de Vie" line.

Fine Cognac H2O, a model of eco-design

In the pure tradition of Fine à l'eau (brandy with a splash of pure water), Hennessy decided to review its emblematic Cognac. The House focused on the articles used for this "expanded" form of consumption: a filtering carafe and an eternal glass ice drop, the Eternal Ice Drop, were designed by the design studio 5.5 Designers. These two articles create a subliminal image of the water that is particularly important to Hennessy, and the quality of which is crucial for any tasting. In line with this process, the complete packaging system was eco-designed: the weight of the glass was reduced from 780 g to 600 g, the glass was labeled in enamels without ink or glue or paper, the cork is made of beech wood from FSC certified forests, the box is also FSC certified and bleached without chlorine with printed product information on the inside, shipping cartons are lighter because they are simply fluted and have only the legal notices on them so as to limit ink use.

EDUN, a pioneer in ethical fashion, launches the "Conservation Cotton Initiative"

In 2009 LVMH partnered with EDUN, a brand founded in 2005 by Ali Hewson and Bono, and a pioneer in contemporary ethical fashion, in which LVMH now holds a 49% stake. One of EDUN's objectives is to promote the local textile industry in the developing countries, particularly in sub-Saharan Africa, so that products can be completely made locally. This industry is an important vector in encouraging local employment of women and establishing a long-term economic industry. One of the ways to achieve this objective is to stimulate and support local cotton production, specifically organic cotton. In partnership with the Wildlife Conservation Society, EDUN in 2007 launched the "Conservation Cotton Initiative" the goal of which is to promote the production of organic cotton, to participate in a concrete way in local economic development and education, and to preserve ecosystems through responsible farming. Cotton is the principal non-food agricultural crop in the world, particularly in sub-Saharan Africa, where over 70% of the local population lives by farming. EDUN and its partners launched the CCI program in this region, in Uganda and Zambia. The project makes a concrete contribution by helping local farmers develop their business by cultivating organic cotton of the highest quality, which is cheaper to produce (no pesticides used), poses little danger to the environment, and has a positive impact on local farming communities. The cotton is then purchased, primarily through EDUN, which makes it into finished products. Training programs are launched to assist with this change, particularly in order to cut production costs: certification of the organic cotton, plowing the fields, the use of natural fertilizers and the supply of mini-cotton gins. In addition, the revenues from the sale of the finished products are used to finance other local support programs in addition to growing the cotton. In 2009, 800 farmers participated in the program, and the aim is to have 5,000 farmers by 2011. In complete harmony with the EDUN values, the brand wants to prove with this program that another model, one that is better for local populations, is possible.

Eco-design moves into the stores

In addition to products and packaging, eco-design can also impact stores and displays. A Store eco-design committee was therefore formed in 2009. Composed of Sephora, Louis Vuitton, Céline, Le Bon Marché, Christian Dior Couture and DFS, it worked first on sharing best practices for store lighting, particularly LED technology. An active watch system and concrete projects have already been launched. The Sephora store on the Champs Elysées, for example, was the first to install LEDs for some of its lighting and deployment in all stores in the French network has now begun.

In the United States, Sephora USA completed its first "LEED" store in Stonestown, California. This "Leadership in Energy and Environmental Design" certification is awarded by the Green Building Council for voluntary eco-construction operations. From construction materials to energy performance, including water consumption, waste recycling and the installation of bicycle racks, everything was optimized with the aim of reducing the impact of the life of the store.

Reach: Brands take a proactive approach to their obligations

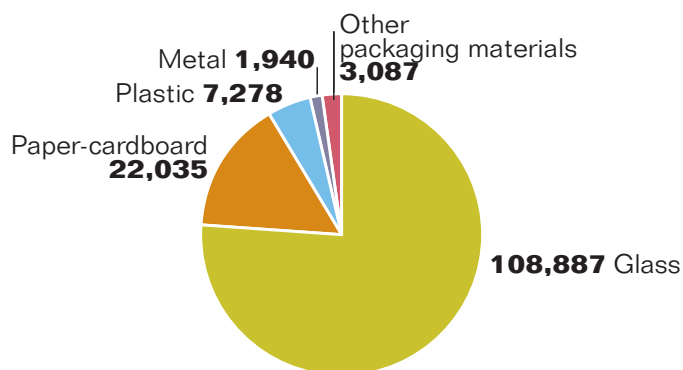
LVMH is continuing to deploy its initiatives and is working to anticipate future changes in the Reach regulations on chemicals. The working group set up by the Environmental Department ensures that everyone can share what they know and give their feedback. All the companies have prepared and/or modified their contracts and sales documentation and questioned their suppliers. They have set up a Reach Committee to increase employee awareness so that employees can accurately answer any question asked. For example, Maison Belvedere now works only with suppliers whose products are pre-registered and contain no potentially hazardous substances. And Louis Vuitton, which is already ahead in all the steps, including communication, has a central agent responsible for Suppliers, leads a group-wide working group and conducts various verification tests on materials.

Packaging placed on the market (in metric tons)

	2009	2008	2007	Change 2009-2008
Wines & Spirits	115 950	147 728	152 089	- 22
Fashion and Leather Goods	4 764	5 266	5 136	- 10
Perfumes & Cosmetics	20 800	23 887	21 261	- 13
Watches and Jewelry	386	421	512	- 8
Selective retailing	1 327	1 538	1 373	- 14
Total	142227	178 840	180 371	- 20 ^(a)

(a) Decrease related to the decline in activity and the eco-design procedures deployed in all business groups.

Packaging volume by type of material in 2009 (in metric tons)



ENCOURAGING RESPONSIBLE CONSUMPTION

Efforts to increase consumer awareness continued in the Moët Hennessy companies. For this reason, promotion of a responsible consumption message will be made more visible at our sites to encourage those who discover the Group's companies to follow the recommendations issued by health authorities. This effort is also reflected on the Moët Hennessy brand websites where a request for the visitor's age has become virtually systematic, and which include a responsible consumption message and reference to informational sites.



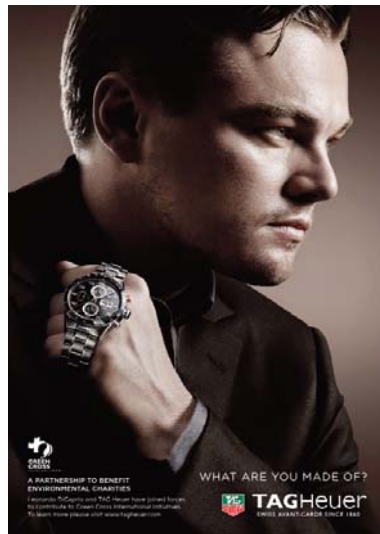
Programs extended to civil society

Launched in 1999 by Kofi Annan, the Global Pact calls for a commitment from major corporations to respect ten principles relating to Human Rights, labor standards and the environment in order to contribute to more sustainable development on our planet. LVMH is a member of this international initiative and also contributes to local efforts through the Ile-de-France Sustainable Development Club. Formed in 2007, this club works to disseminate best practices to small and medium sized businesses and has established a system of cross audits between companies with similar concerns and resources. Bernard Arnault also signed the Copenhagen Communique on Climate Change launched in June 2009 at the initiative of the Prince of Wales and Cambridge University. This document called for an ambitious, vigorous and equitable global agreement that would provide a credible response to the magnitude and urgency of the crises facing the world.

LVMH PARTNERING WITH ASSOCIATIONS, COMMUNITIES AND SCHOOLS

Some particularly active companies have initiated partnerships with associations. Louis Vuitton, for example, renewed its support for Al Gore's Climate Project through a new institutional advertising campaign featuring astronauts Jim Lovell,

Sally Ride and Buzz Aldrin. Their fees, a supplement and a portion of the profits from website sales in the United States on "Earth Day" were contributed to the Climate Project. The company also made another collection of cartridges at its Paris headquarters and paid the money obtained to the League against Cancer. In addition, Louis Vuitton decided to support the sustainable development of a forest in Komoro, in the Nagano region of Japan. This pine and birch forest will be the target of special projects aimed at restore its biodiversity. The operation is being conducted with the "More Trees" association led by the famous musician Ryuichi Sakamoto, who is very active in reforestation initiatives.



Since 2002, TAG Heuer has been conducting various projects to reduce its carbon footprint. In 2009, it formed a partnership with Leonardo DiCaprio who personalized the design of the Aquaracer 500M watch. The profits generated by this limited series were contributed to the Natural Resources Defense Council and Green Cross International, two NGOs that are also personally supported by the actor. Since January 2009, Leonardo DiCaprio and

TAG Heuer have been working together to identify the most appropriate measures to take to reduce the company's carbon footprint. In addition to recruiting a sustainable development policy manager, several measures have been taken, including commissioning a new laser stamping system that saves water and energy, installing "eco-roofs" at production sites for better building insulation, and using the heat generated by machine tools to heat the building in the winter months.

Bogedas Chandon Argentina, for its part, made its contribution to the "Educar Forestando" project launched last year: over 1,800 trees have been planted in the country. No fewer than 784 students and 28 professors received training to enhance their awareness of these strong values in four regions of the country. It should also be noted the Belvedere continues to contribute actively to two projects conducted by the Foundation for the Protection of the Environment in Zyrardow: "Cleaning World" and "Cleaning the Pisia River". LVMH also continues its commitment to the environment within the association Orée, Entreprises et territoires pour l'environnement (Association of companies and regions for the environment). In particular, the Group helped to develop the "eco-design" platform (<http://ecoconception.oree.org>), a clear and practical portal which illustrates the basic principles of eco-design and explains how to use it. It also invested in the "Biodiversity and Climate, before and after Copenhagen" conference, which brought together experts on climate change and biodiversity and top economists to draw an outline of what the world could be post-Copenhagen. Finally, the Group actively participates in the "Environmental Expertise" work group, which published a methodology for conducting an open and free debate on expertise. Along with other luxury brands, LVMH is also involved

in Business for Social Responsibility (BSR), a work group launched in 2009 to promote the sharing and exchange of best practices for exotic leathers.

Finally, LVMH continues to present the environmental challenges for its businesses and operations at programs in major schools and universities such as Essec, HEC, other business schools, and Leonard de Vinci and Saint-Quentin-en-Yvelines Universities.

COMMUNICATING OUR COMMITMENTS

In an effort to contribute to protecting the environment beyond just the aspects directly related to its activities, LVMH aims to share its values with as many people as possible. For example, Domaine Chandon California has started to use a twelve-seat electric vehicle that runs on photovoltaic solar energy to carry visitors to the Newton cellars. During Heritage Days in France, Veuve Clicquot opened the Hôtel du Marc to the public and organized tours based on the theme "Protecting our heritage and renewable energy". Over 2,000 people enjoyed these tours.

LVMH contributes to the greening of New York City with "Bike in Style"

Already a sponsor of the "Summer Streets" initiative, which bans cars from using the route from the Brooklyn Bridge to Central Park on three Saturday mornings in August so that green transportation methods can be used, LVMH USA last year launched an initiative that melds artistic design with protection of the environment in collaboration with the New York City Department of Transportation and the Fashion Institute of Technology. Through the "Bike in Style" challenge, design students worked on designing key articles for cyclists: a poncho, a shirt and a bag for both men and women, with one guiding principle - it had to be stylish, practical and affordable. The students were assisted in their work by Donna Karan International which helped develop the prototypes selected. Selected from a large number of candidates, the three prize-winners received their award at a ceremony attended by Marion Cotillard, the ambassador of Lady Dior, known for her commitment to the environment.



Any person or association with questions for the Group can ask them and will receive a response by writing to the Group at **environnement@lvmh.fr**

Objectives

These tables list the objectives assigned to a Group company; the business group is indicated in the second column.

2009 OBJECTIVES ACHIEVED

AIM FOR A HIGH LEVEL OF ENVIRONMENTAL PERFORMANCE

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Strictly comply with environmental regulations	HOLDING COMPANY	<ul style="list-style-type: none"> ■ Systematically verify environmental compliance during internal financial audits of the sites ■ Maintain the French and international environmental regulatory watch 	<ul style="list-style-type: none"> ■ Deadline ■ Achieved
Reduce environmental impacts on the industrial and administrative sites and the shipping hubs: water, energy, waste, transport, etc.	WINES & SPIRITS	<ul style="list-style-type: none"> ■ Produce 6.8 g of waste (exc. pressing waste) per equivalent bottle in all steps combined ■ Obtain carbon neutrality for one company ■ Double the operating area with a 'zero herbicide' approach ■ Reduce the water consumption of two companies by 5% ■ Reduce the energy consumption of one company by 5% ■ Reduce the greenhouse gas emissions of a Champagne company by 20% in 10 years 	<ul style="list-style-type: none"> ■ Achieved ■ Ongoing ■ Achieved ■ Achieved ■ Achieved ■ Ongoing
	WATCHES & JEWELRY	<ul style="list-style-type: none"> ■ Begin construction of a new ultra energy-efficient site 	<ul style="list-style-type: none"> ■ Achieved
	PERFUMES & COSMETICS	<ul style="list-style-type: none"> ■ For one company: <ul style="list-style-type: none"> Reduce water consumption by 50% Reduce gas consumption by 30% Reduce electricity use by 11% Reduce the percentage of unsorted waste by 50% Reduce the volume of products delivered by air by 10% 	<ul style="list-style-type: none"> ■ 2010 objectives⁽¹⁾
	SELECTIVE RETAILING	<ul style="list-style-type: none"> ■ Reduce the energy consumption of one company by 20% 	<ul style="list-style-type: none"> ■ 2009
	WINES & SPIRITS PERFUMES & COSMETICS SELECTIVE RETAILING	<ul style="list-style-type: none"> ■ Complete the carbon footprint (Bilan Carbone ®) for three companies 	<ul style="list-style-type: none"> ■ Achieved

FOSTER A COLLECTIVE PURPOSE

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Involve all employees	HOLDING COMPANY	<ul style="list-style-type: none"> ■ Update and distribute the supplier tool 	<ul style="list-style-type: none"> ■ Achieved
	HOLDING COMPANY AND OTHER COMPANIES	<ul style="list-style-type: none"> ■ Offer awareness training to the employees of at least three Group companies during sustainable development week 	<ul style="list-style-type: none"> ■ Achieved
	WINES & SPIRITS	<ul style="list-style-type: none"> ■ Integrate the environment in the training of 100% of the harvest seasonal workers (presses) 	<ul style="list-style-type: none"> ■ Achieved
Distribute the results to all hierarchical levels	HOLDING COMPANY	<ul style="list-style-type: none"> ■ Provide employees with the 2008 environmental results on the LVMH environmental intranet 	<ul style="list-style-type: none"> ■ Achieved

(1) Update on progress in 2009: Water consumption: -26%
 Natural gas consumption: -23%
 Waste recycling rate: -99.9% versus 91% (2007)

CONTROL ENVIRONMENTAL HAZARDS

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Have an effective management system, audited at least once every three years	PERFUMES & COSMETICS	■ Begin deployment of the ISO 14001 standard on two sites	■ Achieved <i>(one site is already certified)</i>
	FASHION & LEATHER GOODS	■ Obtain ISO 14001 certification for all workshops in one company	■ Ongoing 2012
Detect all environmental risks, prevent and reduce them	ALL COMPANIES	■ Train the LVMH internal audit team in the ISO 14001 audit	■ Achieved

FOLLOW THROUGH ON PRODUCT DISPOSAL

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Integrate the environment in the design of Group products, in-house, and with suppliers and subcontractors	HOLDING COMPANY AND OTHER COMPANIES	■ Distribute to marketing and design managers a new version of the LVMH environmental trend booklet	■ Achieved
		■ Equip four companies with environmental assessment software for products, and train teams in its use	■ Partially achieved <i>(three of four companies are equipped)</i>
		■ Maintain environmental watch on materials, processes and products	■ Ongoing
	WINES & SPIRITS	■ Reduce the weight of Champagne bottle: continue launch	■ Ongoing
	WINES & SPIRITS PERFUMES & COSMETICS	■ Distribute and use the environmental performance evaluation tools for packaging installed in 2007 and 2008	■ Achieved
	FASHION & LEATHER GOODS	■ Finalize environmental assessment project for boutiques and implement action plan	■ Ongoing

MAKE COMMITMENTS OUTSIDE THE COMPANY

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Be involved with stakeholders	HOLDING COMPANY	■ Continue involvement with OREE association	■ Ongoing
		■ Continue joint initiatives with the 11 other partner organizations and associations	■ Ongoing
	WINES & SPIRITS	■ Open the site to the public during Heritage Days	■ Ongoing
	PERFUMES & COSMETICS	■ Develop partnerships with authorities and local communities (completion of regional carbon footprints, sharing best practices, etc.)	■ Achieved
	WINES & SPIRITS	■ Develop partnerships with environmental NGOs like Green Cross	■ Achieved
	FASHION & LEATHER GOODS WATCHES & JEWELRY HOLDING COMPANY	■ Continue sharing best practices with small and medium companies in the Paris region within the Ile de France Sustainable Development Club	■ Achieved

OBJECTIVES FOR 2010 AND BEYOND (NOT EXHAUSTIVE)

AIM FOR A HIGH LEVEL OF ENVIRONMENTAL PERFORMANCE

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Strictly comply with environmental regulations	HOLDING COMPANY	■ Systematically verify environmental compliance during internal financial audits of the sites	■ Ongoing
		■ Maintain the French and international environmental regulatory watch	■ Ongoing
Reduce environmental impacts on the industrial and administrative sites and the shipping hubs: water, energy, waste, transport, etc.	PERFUMES & COSMETICS	■ For one company: Reduce water consumption by 50% Reduce gas consumption by 30% Reduce electricity use by 11% Reduce the percentage of unsorted waste by 50% Obtain carbon neutrality for one company	■ 2010 and beyond
	WINES & SPIRITS	■ Begin construction of a new ultra energy-efficient site	■ 2010 and beyond
		■ Continue to expand piggy-back rail transport (80% for Asia and 30% for the United States) to reach embarkation ports in Europe (for one company)	■ 2010
		■ Reduce the greenhouse gas emissions of a Champagne company by 20% in 10 years	■ 2010 and beyond
	FASHION & LEATHER GOODS	■ Begin construction of a new ultra energy-efficient site	■ 2010
	SELECTIVE RETAILING	■ Reduce the energy consumption of one company by 20%	■ 2011
	PERFUMES & COSMETICS	■ Update the Carbon Footprint of at least three companies	■ 2010
	WINES & SPIRITS		
	FASHION & LEATHER GOODS		

CONTROL ENVIRONMENTAL HAZARDS

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Involve all employees	HOLDING COMPANY	■ Develop a new environmental reporting tool	■ 2011
		■ Deploy and activate the new LVMHMind Sustainable Development extranet accessible to all Group employees	■ 2010
	HOLDING COMPANY AND OTHER COMPANIES	■ Offer awareness training to the employees of at least five Group companies during sustainable development week	■ 2010
	WINES & SPIRITS	■ Integrate the environment in the training of 100% of the harvest seasonal workers (presses)	■ Ongoing
Distribute the results to all hierarchical levels	HOLDING COMPANY	■ Provide employees with the 2009 environmental results on the LVMH environmental intranet	■ 2010

CONTROL ENVIRONMENTAL HAZARDS

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Have an effective management system, audited at least once every three years	WINES & SPIRITS	■ Obtain "Green Winery" certification for one company	■ 2010
	FASHION & LEATHER GOODS	■ Obtain ISO 14001 certification for all workshops of one company	■ 2012
	PERFUMES & COSMETICS	■ Obtain ISO 14001 certification for 3 industrial sites	■ 2011
Detect all environmental risks, prevent and reduce them	ALL COMPANIES	■ Train a second ISO 14001 internal audit team	■ 2010
	WINES & SPIRITS	■ Audit all suppliers of a company that are not ISO 14001 certified	■ 2010

FOLLOW THROUGH ON PRODUCT DISPOSAL

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Integrate the environment in the design of Group products, in-house, and with suppliers and subcontractors	HOLDING COMPANY AND OTHER COMPANIES	■ Distribute to marketing, purchasing and development managers a sixth version of the document "Materials to Consider, an Eco-material Handbook"	■ 2010
		■ Maintain environmental watch on materials, processes and products	■ Ongoing
		■ Monitor and anticipate the work being conducted in France, Europe and internationally on environmental product labeling	■ 2010-2011
	HOLDING COMPANY PERFUMES & COSMETICS	■ Train the marketing, purchasing and development teams of four companies in eco-design.	■ 2010
		■ Distribute and use the environmental performance measurement tool for packaging	■ 2010 and beyond
	WINES & SPIRITS	■ Reduce the weight of Champagne bottle: continue launch	■ 2010
		■ Reduce the weight of the glass in the bottles of one Wine company	■ 2010

MAKE COMMITMENTS OUTSIDE THE COMPANY

Strategy	Business group	Objective assigned to the company in 2009	Deadline
Be involved with stakeholders	HOLDING COMPANY	■ Continue involvement with OREE association	■ Ongoing
		■ Continue joint initiatives with the 11 other partner organizations and associations, particularly the Responsible Jewellery Council and the Federation for Research on Biodiversity	■ Ongoing
		■ Continue sharing best practices with small and medium companies in the Paris region within the Ile de France Sustainable Development Club	■ 2010
	WINES & SPIRITS	■ Open the site to the public during Heritage Days	■ Ongoing
	PERFUMES & COSMETICS	■ Develop partnerships with environmental NGOs like Green Cross	■ 2010
	FASHION & LEATHER GOODS		
	WATCHES & JEWELRY		

Methodology for LVMH Group Environmental Reporting

The LVMH Group has been consolidating environmental indicators since 1999, and they have been published since 2001. They have been verified by one of the Auditor's specialized teams since 2003. These indicators are published in the Registration Document and in the Group's environmental report.

PROTOCOL

All the consolidation and calculation rules are defined in the LVMH environmental reporting protocol, which is updated annually, and is available for public inspection from the Environmental Department. Any request to read the document may be made by writing to: environnement@lvmh.fr

SCOPE OF REPORTING

The reporting on environmental indicators in 2009 covered the following:

- Production sites, warehouses and administrative sites: 173 of the 188 sites held and/or operated by the companies controlled by the Group are covered. The 15 sites not covered are primarily production sites of Hublot, StefanoBi, Royal Van Lent and Wen Jun Distillery, and the administrative sites of Benefit, Berluti, Donna Karan, Emilio Pucci, Fresh, Marc Jacobs, and Thomas Pink.
- Stores: the French stores of Céline, and Guerlain, the French stores and some international stores of Louis Vuitton, Le Bon Marché, the DFS stores, the Spanish stores of Loewe, the French, US and Canadian Sephora stores, and the main Fendi stores are covered. Depending on the environmental indicators, the scope of reporting can vary significantly:
 - Energy consumption and greenhouse gases: the reporting scope is the one described above;
 - Water consumption Sephora's US and Canadian stores are not covered;
 - Waste production the Céline and Fendi stores, the Loewe stores in Spain, the French, US and Canadian stores of Sephora and the Louis Vuitton stores (with the exception of some Japanese stores) are not covered;
 - No other environmental indicator is used for the stores. In 2009, the scope of the store reporting covered 50% of the sales areas for energy consumption and 28% for water consumption.

The environmental indicators for stores that are not covered are deduced by extrapolation, on the basis of actual average ratios per unit of sales area. The scope of the store reporting does not cover the franchise stores for Perfumes and Cosmetics and Fashion and Leather Goods.

Changes in the scope of reporting from 2008 consist of the inclusion of Les Echos, new Sephora and DFS stores, the Spanish stores of Loewe, new Moët-Hennessy administrative sites, a workshop and administrative sites of Louis Vuitton and the sale of Glen Moray.

REPORTING TOOL AND METHODOLOGY

The system used for the environmental reporting is an in-house tool consisting of two components:

- a file that compiles corporate data: training, packaging, etc.
- one (or more) files that compile data specific to the industrial sites: water and energy consumption, waste production (volume and type of waste), waste treatment, etc.

A total of fifty types of information are collected in each company. The data is then checked and automatically consolidated in a central file. This file has many control and alert mechanisms (abnormal data, unit problems, etc.).

INTERNAL AND EXTERNAL EVALUATION

Consistency controls are conducted by the sites (comparison with year N-1) and during consolidation by the LVMH Environmental Department (abnormal data, comparison with year N-1 etc.). Certain environmental indicators are also verified externally by the one of the Group's Auditors whose conclusions are presented in their reasonable assurance report on certain environmental indicators.

SELECTION AND RELEVANCE OF INDICATORS

The purpose of the environmental indicators published is to report to stakeholders on the Group's annual environmental results. Pursuant to Decree 2002-221 of February 20, 2002, known as the "NRE decree (New Economic Regulations decree)," only the nature and magnitude of impacts that are relevant and significant with regard to the activity are reported. The information set out in this document also reflects all the guidelines in version 3.0 of the Global Reporting Initiative. The information and environmental indicators of the GRI presented in this report are as follows:

Strategy

- 1.1 p. 01
- 1.2 p. 07

Profile of the organization

This information is available in the LVMH 2009 Annual Report.

Reporting parameters

- 3.1 to 3.12: See methodology note for the reporting pages 31, 32 and 33
- 3.13 p. 34

Governance and commitments

- 4.12 p. 06 and 21
- 4.13 p. 25 and 26

Management and Indicators

- EN1 p. 24
- EN3 p. 11 and 12
- EN4 p. 11 and 12
- EN7 p. 09
- EN8 p. 12 and 13
- EN16 p. 12 and 13
- EN18 p. 10, 12, 13 and 14
- EN21 p. 17
- EN22 p. 17 and 19
- EN26 p. 22, 23 and 24
- EN29 p. 14
- EN30 p. 19

Water consumption

Water consumption is expressed in cubic meters. This indicator assesses the quantities of water consumed, based on the following two needs:

- Agricultural requirement: this measures the quantities of water used for irrigation (banned in France) and sprinkling the vines (to fight frost, etc.). The water volumes used are measured directly or, more generally, estimated.
- Process requirement: this measures all non-agricultural needs (industrial, sanitary, cleaning processes, spraying green areas etc.).

In 2009, only one workshop in the Fashion and Leather Goods business group used 88,000 m³ of water for cooling needs. This water is discharged into its environment without any significant physical, chemical or biological change and is not consolidated by the Group.

Water Pollution

Water pollution is expressed in metric tons of COD (Chemical Oxygen Demand). This indicator reflects the total annual flow discharged by the sites into the natural environment, after treatment at the site or downstream from the site. The only sectors concerned with this parameter for which discharges of organic matter and other pollution from effluents are significant and directly related to the activity, are Wines & Spirits and Perfumes & Cosmetics.

Waste production

All waste produced is evaluated in metric tons. The waste taken into account is hazardous and non-hazardous waste from the sites over the reporting period. The method for treating each type of waste is also identified in order to evaluate the recycling rate. The various methods for waste recycling are:

- Reuse: the use of a waste product for the same use as the one for which the product was initially designed (e.g., Wines & Spirits business group: bottles resold to third parties).
- Material recovery which includes:
 - Recycling: the direct reintroduction of a waste product into the production cycle from which it came to partially or completely replace a brand new raw material: paper-cardboard, certain plastics etc.
 - Organic recycling: composting, controlled spreading of organic waste to fertilize soil.
- Energy recovery: incineration with recovery of the energy from combustion in the form of electricity or heat.

Energy consumption

Energy consumed is expressed in MWh and represents all types of energy used by the sites (electricity, natural gas, fuel oil, heavy oil, steam and butane propane) and company vehicles.

Greenhouse gas emissions

This indicator is expressed in metric tons of CO₂ equivalent and corresponds to greenhouse gas emissions related to the energy consumption of the sites. It covers the direct and indirect emissions of greenhouse gases.

Upstream and downstream transport

This indicator is expressed in metric tons/kilometer and metric tons CO₂ equivalent. A distinction is made between upstream transport and downstream transport:

- **Upstream transport:** This is the number of kilometers traveled by the raw materials and components from the last site of supplier no. 1 to the first receiving site. The evaluation is made at least on the main components and main products:
 - Wines & Spirits: bottle, box, corks, etc.
 - Perfumes & Cosmetics bottle, box, etc.
 - Fashion & Leather Goods: leathers, metal parts, packaging, ready-to-wear, etc.

- Watches & Jewelry: boxes, cases, etc.
- Selective retailing store bags, envelopes, boxes, etc.
- **Downstream transport:** This is the number of kilometers traveled by all finished products from the manufacturing site to the first platform of your wholesale customer or to the stores (for the Selective activities and for the brands that have boutiques).

Packaging placed on the market

This indicator is expressed in metric tons of materials. This includes the primary and secondary packaging placed on the market by all Group companies. The packaging used for shipment during the transport phases is excluded from this indicator.

Training and awareness session hours

This indicator is expressed in hours. It includes all training and awareness sessions completely or partly dedicated to the environment:

- the training of employees to reduce their impact on the environment (energy consumption, handling of hazardous products, training in environmental regulations, training for HSE officers, training in environmental audits, water management, waste management, sustainable grape-growing, etc.).
- general environmental training/awareness raising (major challenges: greenhouse gases, biodiversity, raising awareness of harvest workers, etc.) or in environmental management systems (ISO 14001 etc.).
- training given by the Holding company (orientation seminar for new managers, presence on the Environmental Committee, work of the LVMH Environmental Department in executive committees or other meetings, etc.).
- hours devoted by in-house environmental trainers (sustainable development week, world water day, HSE officer who conducts training/awareness sessions, etc.).

Percentage of sites that have undergone an environmental audit

This indicator represents the number of sites which have been subject to an environmental audit (internal or external) during the year, out of the total number of sites

The audits included in this indicator must cover:

- environmental performance (waste, atmospheric emissions, water, soil, energy and water consumption, noise, etc.),
- an assessment of the environmental risks (flood, fire, etc.),
- regulatory compliance of the company,
- an evaluation of the environmental management system (tracking audit, internal audit, certification audit, etc.) and/or the performance of the environmental management system.

These audits are validated by a written audit report which sets out recommendations.

The sites included in the scope of this indicator are the production sites, warehouses and administrative sites held and/or operated by companies controlled by the Group. These audits do not cover boutiques.

Expenses incurred to prevent the environmental impacts of the activity

This indicator is expressed in thousands of euros. It includes the following expenditures and investments made to prevent the environmental impacts of the activity:

- Expenses to protect the atmosphere and climate
- Expenses to manage waste water
- Expenses to manage waste
- Expenses to fight noise and vibrations (excluding the protection of work locations)
- Expenses to protect biodiversity and the landscape
- Expenses for research and development
- Expenses for other environmental protection activities.

Report of one of the auditors on certain environmental indicators

In our capacity as auditors of LVMH Moët Hennessy - Louis Vuitton, we conducted the verifications necessary to allow us to state with reasonable assurance that certain environmental indicators (1) for fiscal year 2009 (the "Indicators") have been established in all material aspects in accordance with the LVMH environmental reporting protocol, Version No. 6 dated September 30, 2009 (the "Standards").

The Indicators are presented in the registration document in paragraph 1 of the "LVMH and the environment" section in the Management Report from the Board of Directors. They are also provided in the LVMH environmental report which can be consulted on the Group's website.

The Standards are summarized in the "Note on methodology for LVMH Group environmental reporting" section in the LVMH environmental report.

It is the responsibility of the LVMH Environmental Department to establish the Indicators and the Standards and to ensure they are made available.

It is our responsibility, on the basis of our audits, to express an opinion on these Indicators. Our audits were conducted in accordance with the international ISAE 3000 standard (International Standard on Assurance Engagement), in compliance with the rules of independence defined by the laws and regulations and the professional code of ethics.

The opinion expressed below concerns only these Indicators and not all the environmental indicators contained in the registration document in paragraph 1 of the "LVMH and the environment" section of the Management Report of the Board of Directors or in the LVMH environmental report. This opinion does not cover the data from the retail sales operations not directly integrated in the process to provide environmental indicators and are estimated by extrapolation.

Nature and scope of the controls

To express our opinion, we conducted the following review:

- We assessed the Standards with regard to accuracy, clarity, objectivity, completeness and relevance with regard to the activities of the Group and reporting practices in the sector.
- At the level of the Group, we:
 - conducted interviews with those responsible for reporting the Indicators;
 - conducted an analysis of the risks of anomalies and material relevance;
 - assessed the application of the Standards, implemented analytic procedures and consistency tests, and verified the consolidation of the indicators on a test basis.
- We selected a sampling of companies representing the businesses and geographic locations, based on their contribution to the Indicators and the risks of anomaly previously identified:

The entities selected represent on average 65% of the total value of the Indicators published by LVMH(2).

- At this level, we verified the understanding and application of the Standards and conducted detailed tests on a test basis, which consisted of verifying the calculation formulas and reconciling the data with the supporting documents.
- We reviewed the presentation of the Indicators provided in the registration document in paragraph 1 of the "LVMH and the environment" section of the management report from the Board of Directors and in the LVMH environmental report.

To assist us in carrying out this work, we called upon our teams specializing in Sustainable Development issues, which report to Eric Duvaud.

Based on controls performed for the last seven years on the significant entities of the Group and the actions conducted by LVMH to improve the understanding and application of the Standards by the sites, we believe that our work provides a reasonable basis for the opinion expressed below.

Information on the Standards

We have the following comments to make on the Standards:

- for the retail sales businesses, LVMH distinguishes between the data coming directly from the Indicator feed-in process and the data estimated by extrapolation. The proportion of estimated data is progressively declining, but this data is still significant for certain Indicators;
- deployment of the internal controls on the Indicator feed-in process, which has been conducted for several years, must continue in order to ensure that the reliability of the environmental indicators keeps improving.

Opinion

Concerning the "Percentage of waste recovery" indicator, we did not obtain all the supporting documentation that would allow us to ensure the correct typology of the waste treatment methods. In our opinion, subject to the reservation expressed above, the Indicators have been established, in all materials respects, in accordance with the Standards developed by LVMH.

Paris-La Défense, 3/3/2010

One of the Auditors

ERNST & YOUNG Audit

Jeanne Boillet

Olivier Breillot

(1) Percentage of sites subject to environmental audits (%); total water consumption for "process" requirements (m3); total COD after treatment (metric tons/years); total waste produced (metric tons); total hazardous waste produced (metric tons); percentage of waste recycled (%); total energy consumption (MWh); total CO2 emissions (tons CO2 equivalent); total packaging placed on market (metric tons)

(2) In detail, the contributions by indicator are as follows: percentage of sites subject to environmental audits: 55%; total water consumption for "process" requirements (m3): 69%; COD after treatment: 98%; total waste produced: 68%; total hazardous waste produced: 78%; percentage of waste recycled: 72%; total energy consumption: 48%; total CO2 emissions: 46%; total packaging placed on the market: 53%.



THE YOUNG WOMAN AND THE TINY FOLDS

In everything from Louis Vuitton, there are elements that cannot be fully explained. What secret little gestures do our craftsmen discreetly pass on? How do we blend innate skill and inherent prowess? Or how can five tiny folds lengthen the life of a wallet? Let's allow these mysteries to hang in the air. Time will provide the answers.

LOUIS VUITTON