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## A YEAR OF MOMENTUM BUILDING

In 2009, the adoption of the Group's Corporate Social Responsibility (CSR) policy by the PPR brands accelerated, with the seven key strategic CSR priorities inspiring a wide range of initiatives and projects. Sustainable development is gradually being embedded in brands' business models as an instrument of value creation.

Since 2007, PPR has a dedicated CSR Department, which reports directly to the Chairman and is represented on the Executive Committee. Priorities representing a common frame of reference have been established, but the subsidiaries are each responsible for determining objectives and action plans compatible with their specific imperatives, their position on the CSR learning curve, and their activities and geographical presence. 2010 marks the introduction and first-time publication of subsidiary-specific measurable objectives based on the seven key strategic priorities. Although not representative of all of the action plans and measures taken group-wide, the objectives testify to the depth of the subsidiaries' commitment.

The 2009 highlights for each subsidiary are presented with reference to the applicable measurable objectives. This document provides just a snapshot of a year rich in achievements, not least of which was the Group's support for Luc Besson and Yann Arthus-Bertrand's film *HOME*, which had been seen by more than 150 million people by the end of 2009.

Undertakings by PPR and its subsidiaries in 2009, together with detailed CSR reporting results, may be viewed on the corporate website (**ppr.com**, under Commitments/Publications).

Happy reading!

Laurent CLAQUIN Senior Vice President CSR PPR

For more information about the PPR CSR policy: ppr.com / Under Commitments















### 73,245

Group employees at December 31, 2009

**Fifth edition** of the in-house opinion survey "What's the weather like where you are?"

## 662,802

training hours

 $3^{rd}\ agreement$  signed with Agefiph, a French association promoting job placement and vocational training for the disabled

Dissemination of the updated version of the **PPR Code of Business Practices** to all employees

## 3,493

social accountability audits conducted among Group suppliers, some in connection with SA 8000 certification

Distribution of The Green ToolBox guide to the Group's 2,300 stores

## 452 KT

of  $\mathrm{CO_2}$  emitted by the Group in relation to energy consumption and transport in 2009

## **59%**

of Group paper purchases are recycled or certified

## 17

partnerships signed by the PPR Corporate Foundation for Women's Dignity and Rights

More than **150 million** viewers of the film *HOME* in 131 countries at end-2009

# The 7 key CSR priorities of the PPR group



#### PRIORITY 1

Enhance employability through skills management and training



#### PRIORITY\_2

Train each manager on diversity issues



#### PRIORITY 3

Integrate CSR criteria into the supplier selection process



#### PRIORITY\_4

Monitor and limit transport-related CO, emissions



#### PRIORITY\_5

Reduce the environmental impact of stores and infrastructures



#### PRIORITY\_6

Promote responsible products and usages



#### PRIORITY\_7

Implement solidarity programmes related to companies' business activities

# **GUCCI GROUP**

Gucci Group is attached to the sustainable development of its activities and pays great attention to the traceability within its supply chains. Partnerships with stakeholders are also used constructively in the sphere of biodiversity and climate change challenges.

#### 2009 HIGHLIGHTS

- Signature of an agreement with trade unions and employers' in respect of labour rights.
- Creation of the first doctorate programme in sustainable technology for the luxury goods industry in partnership with Central Saint Martins College of Art and Design to encourage research in the fields of sustainable development, textile innovation and new applications.
- Training of 100% of Gucci Group's employees through an awareness-raising e-learning module dealing with diversity and related challenges.
- Certification by a third party traceability of the precious skins used by Gucci Group (compliance with CITES, the Convention on International Trade in Endangered Species of Wild Fauna and Flora).

- Continuation of the SA 8000 certification process: so far, associations in Italy to promote certification has been obtained observance of international standards for Gucci's leather goods, shoes, ready-to-wear, silk and jewellery businesses, and for Bottega Veneta's leather goods and shoe activities.
  - Continuation of responsible product initiatives: the Yves Saint Laurent New Vintage collection made from fabric left over from previous seasons, launch of a first fully eco-designed pair of shoes by Sergio Rossi (the Eco Pump), and continuation of the Stella McCartney brand's commitments in the sphere of organic clothing.
- Continuation of Gucci's historical partnership with UNICEF in support of healthcare for children affected by HIV/AIDS in Africa: \$2 million was paid out in 2009, (Statutory Auditors) of the 100% taking total support provided since the start of the partnership to \$7 million.

Ecofriendly Balenciaga Los Angeles store.



#### PRIORITY 1

 $\bullet$  Ensure that 100% of Gucci Group employees receive yearly training by 2011.



#### PRIORITY 2

 Ensure that 100% of Gucci Group employees have followed a diversity-related e-learning course at all times.



#### PRIORITY\_3

- Obtain SA 8000 certification for all direct owned production sites of Gucci Group by 2015.
- Extend SA 8000 certification to 100% of the Gucci brand's supply chain by 2011.



#### PRIORITY 4

- Reduce transport-related CO<sub>2</sub> emissions by 20% by 2020.
- Reduce the packaging used for road deliveries from the logistics platform to stores by 20% by 2010.



#### PRIORITY\_5

- Reduce stores' CO<sub>2</sub> emissions by 20% by 2020.
- Obtain ISO 14001 certification for Gucci Group owned tanneries by 2011.



#### PRIORITY\_6

- Use Forest Stewardship Council (FSC) paper certified or recycled at all times, including shopping bags, by end-2010.
- Expand brands' responsible product offerings.
- Provide training to brand "product teams" on sustainable design principles by 2010.



#### PRIORITY\_7

- Develop solidarity initiatives around three focus areas:
  - women's dignity and rights
  - arts and culture
  - biodiversity and climate change



At the beginning of 2009, Puma presented its sustainable development concept called PUMAVision, which depicts a better world as a world that is safer, more creative and more peaceful. Through its puma.safe, puma. peace and puma.creative programmes, Puma makes a tangible, practical contribution to achieving this ambition.

#### 2009 HIGHLIGHTS

- the PUMAVision "carbon-neutral" which has ecological and social headquarters in Germany, a quality standards specific to Africa. landmark event for the sportlifestyle Roughly 150,000 small-scale industry. The headquarters have farmers and one million families a surface area of 50,000 m<sup>2</sup> and are involved in the project, which comprise an administrative centre, has enabled the production of more a brand centre and a sales outlet.
- sportlifestyle company to join One Goal" charity football matches the Climate Neutral Network of in 192 United Nations member the United Nations Environment states. In support of the Peace Programme (UNEP).
- Group suppliers. A new supplier classification system was introduced and employees at all major plants received training covering the new puma.creative, with highlights standards. Puma is also extending including the third edition of its audit programme to the sub- the Arts in Marrakech (AiM) contractors used by its direct International Biennale in Morocco, suppliers.
- were manufactured under the Fund and Awards in London, UK.

- The year saw the inauguration of Cotton Made in Africa label, than 37,000 tonnes of cotton.
- Puma became the first major Puma sponsored the "One Day, One Day initiative, adidas and Puma played a football match on • 344 social accountability 21 September, the International audits were carried out among Day of Peace, with proceeds going to education in German schools.
- 2009 was a very busy year for the Creative Caribbean Network social networking website, and the • About one million textile items Puma Central Saint Martins Bursary

PUMAVision headquarters: first carbon neutral company head office in the sportlifestyle and sporting goods industry.



€ ruma



#### PRIORITY 1

• Double the number of employees trained by 2015.



#### PRIORITY 2

 Continue diversity-related training programmes with a view to training 100% of managers by 2010 (through e-learning modules).



#### PRIORITY 3

- Achieve A and B+ ratings for 85% of suppliers in 2015 (SAFE programme certified by the Fair Labor Association).
- Get suppliers to reduce their CO<sub>2</sub> emissions, energy consumption, water consumption and waste production by 25% by 2015.



#### PRIORITY 4

• Reduce transport-related emissions by 25% by 2015.



#### PRIORITY 5

 Reduce CO<sub>2</sub> emissions, energy consumption, water consumption, waste production and paper consumption by 25% by 2015.



#### PRIORITY 6

- Increase the proportion of sustainable products (products satisfying at least one sustainable development requirement, such as organic cotton or fair trade) to 25% in 2015.
- Achieve 100% sustainable packaging by 2015 (biodegradable bags, recycled paper, etc.).



#### PRIORITY\_7

• Support contemporary design (puma.creative programme) and take action in defence of human rights (puma.peace programme).



Fnac aims to be the benchmark for its sector in all aspects of Corporate Social Responsibility. Thanks to its pioneering and pro-active sustainable development policy, the company has remained true to its humanist values, sense of responsibility and independence. Fnac is well aware of the extent of the challenges ahead and has urged all stakeholders to join forces with it.

#### 2009 HIGHLIGHTS

- benefited from this programme.
- Provision of training in diversity issues to 100% of managers in France.
- Drafting of the Fnac CSR Charter sheets. for Suppliers setting out the company commitments, together with its expectations of business partners in terms of social responsibility, community involvement, respect for the environment and quality. The Charter will be translated into the company seven working languages and will be distributed to all suppliers.
- Intensification of the fight against climate change and obtaining of digital divide.

• Continuation of the professional Energy Savings Certificates repreexperience validation programme: senting more than 5.5 million kWh since 2004, 350 employees have cumac (cumulative and discounted). 500 Ft.

- Initiation of testing of TV sets' environmental performances in 2009, with environmental data added to product information
- Introduction of a new prize in honour of freedom of speech, the Reporters Without Borders-Fnac prize, awarded to a journalist and a media platform.
- More than 3,000 mobile telephones collected by Fnac and repaired by Emmaüs-Ateliers du Bocage, reaffirming Fnac's commitment to combating the

Fnac has developed a new environmental labelling for its televisions. Note environnementale labofinac ESSAIS



#### PRIORITY 1

- Ensure that each employee attends at least one training course every three years.
- Ensure that each employee has an annual career interview and a two-yearly career development plan.



#### PRIORITY 2

 Continue diversity training programmes with a view to training 100% of managers in all countries where Fnac is present by 2011.



#### PRIORITY 3

• Achieve adoption of the Fnac CSR Charter for Suppliers by all suppliers in all countries where the company is present by 2011.



#### PRIORITY 4

• Reduce transport-related CO<sub>2</sub> emissions by 10% by end-2012.



#### PRIORITY\_5

• Reduce Fnac's energy consumption by 20% over five years.



#### PRIORITY\_6

- Extend environmental labelling to the entire TV set range and product information channels (internet and store tags).
- Raise the awareness of the 2 million Fnac members in France with regard to responsible usages by 2010.
- Obtain ISO 14 001 certification for SFL, a subsidiary of Fnac, in 2013.



#### PRIORITY 7

• Promote freedom of speech and combat cultural exclusion.



redcats.com

Corporate social responsibility is managed in a spirit of continuous improvement by Redcats, which has stepped up its efforts in recent years. The CSR Department oversees strategy and actions for the 15 Redcats brands with due respect for each brand's autonomy and freedom. In 2009, Redcats took its commitment to a higher level.

#### 2009 HIGHLIGHTS

- CSR correspondent for each brand, tasked with deploying the Group's general CSR policy and defining brand-specific objectives in conjunction with the relevant management committee.
- Development of training courses to the benefit of less qualified workers, notably professional experience validation programmes and "inter-industry professional qualification certificates".
- Performance of 378 supplier audits worldwide. 2009 saw the introduction of a special Redcats supplier prize, which awarded to five suppliers in Asia.
- Signature by Sogep, Redcats ISO 14001-certified B to C delivery network in France, of the "Charter of voluntary commitments in respect of CO<sub>2</sub> emissions reduction", implemented

- Designation since 2009 of a with the French Transport Ministry in partnership with ADEME (the French Environment and Energy Management Agency).
  - Increased emphasis on responsible product offerings: one in five products made of organic or environmentally innovative materials at Somewhere, 55 responsible products listed at Vertbaudet, 50% increase in readvto-wear and home linen items made from organic fabrics at La Redoute and Cyrillus.
  - Coming together of employees in SolidarCité Redcats to support social and professional integration: opening of a new concierge office at the service of employees at Cyrillus, Somewhere and Vertbaudet headquarters. The La Redoute concierge office, set up at end-2008, completed more than 5,000 service assignments in 2009, representing eight full-time equivalent jobs.

One in five Somewhere products are made with organic or environmentally innovative materials. Some@here for life & world **⊅** Some.B Some Bio"



#### PRIORITY 1

- Provide annual performance evaluations for 100% of Redcats employees worldwide (2011).
- Keep the proportion of disabled employees at the French companies at 6% (2010).



#### PRIORITY\_2

• Extend the diversity training programme to all brands in France, with 100% of managers trained by 2012.



#### PRIORITY 3

• Audit 100% of strategic suppliers every 18 months.



#### PRIORITY 4

- Reduce B to B transport-related CO<sub>2</sub> emissions by 10% by 2012.
- Reduce CO<sub>2</sub> emissions by Sogep (the Redcats B to C delivery network in France) by 8% by end-2011.



#### PRIORITY\_5

- Assess the carbon footprints of major industrial sites, headquarters premises and six "pilot" stores in France, through bilan carbone™ audits.
- Reduce Redcats' total electricity consumption by 10% by 2012.



#### PRIORITY\_6

- Maintain the objective of sourcing 65%-70% of catalogue paper fibres from sustainably-managed forests.
- Obtain FSC certification for 100% of Redcats Nordic's wood product range by 2011.
- Ensure that one in three products sold by Somewhere is made of organic or recycled materials by 2010.



#### PRIORITY 7

- Continue the Redcats brands' solidarity actions throughout the world.
- In France, support education and professional integration through the SolidarCité Redcats association.



Conforama, a top player in home furnishings in Europe, is stepping up its actions in the sphere of corporate social responsibility. In 2009, the company gave priority to its social responsibility and introduced a swath of measures to enable employees to further their development within the company. This central commitment is flanked by initiatives promoting a responsible discount offering and the reduction of the company's environmental footprint.

#### 2009 HIGHLIGHTS

- Continuation of training and reorientation programmes to channel employees towards Conforama's emerging businesses.
- Roll-out of diversity training to all Human Resources functions in France, followed by diversity awareness training for managers.
- Definition and implementation of a new set of environmental criteria with regard to product specifications.
- In 2009, 80% of the company's post-shipping transport was realised by river barges, representing 98% fulfilment of objectives under the protocol on river transport between Fos-sur-Mer and Lyon.

- Introduction in France of shopping bags made of 100% recycled plastic, with a 50% reduction in CO<sub>2</sub> emissions during bag manufacturing and a decrease in raw material content.
- As part of the company responsible product policy, formation of a partnership with the FSC and launch of the FSC-certified "Canyon" range of living room furniture.
- Support from the Italian operations for Red Cross initiatives in favour of earthquake victims in the Abruzzo region: €200,000 worth of donations and €5,000 collected. In France, the partnership with the SPF (Secours populaire français) charity was strengthened by the donation of home decoration products.

The FSC certified "Canyon" living-room by Conforama.



#### PRIORITY 1

- Train 100% of employees who wish to change function under the internal mobility plan.
- Increase the number of disabled employees in France by 25% and the number of seniors on permanent contracts by 50% by end-2012.



#### PRIORITY\_2

 Continue diversity and equal opportunities training programmes, with 100% of managers trained by end-2010.



#### PRIORITY\_3

• Audit 80% of suppliers in Asia by end-2012.



#### PRIORITY\_4

• Reduce road transport-related CO<sub>2</sub> emissions by 17% by end-2012.



#### PRIORITY\_5

- Increase WEEE\* collection by 30% by end-2012.
- Reduce energy consumption by 10% by end-2012.
- Reduce commercial document paper tonnage by 25% by end-2012.



#### PRIORITY\_6

 Propose at least one responsible product (based on Eco-Confo eligibility criteria) per range by 2012.



#### PRIORITY 7

- Make sure that the poorest have home essentials by partnering with charities.
- $^{\star}$  WEEE: Waste Electrical and Electronic Equipment.



The creation of the PPR Corporate Foundation for Women's Dignity and Rights in 2009 marked a further stage in the Group's commitment to social responsibility: it aims at advancing key causes, in consistency with PPR's values and activities, by playing a decisive role by the side of public authorities. The Foundation's two objectives are to fight violence against women and to promote women's empowerment.

#### 2009 HIGHLIGHTS

- A Board of Directors chaired by 3 awards to social entrepreneurs François-Henri Pinault, composed leading economic projects with a of 15 members, including five well- strong social added value: guidance known external experts in the field from a Group's manager in addition of women's issues.
- 17 partnerships formed with NGOs acting against all forms of violence to women and promoting of a woman against Female Genital women's empowerment all around Mutilation. the world, among which
- 3 projects sponsored by Group employees involved in an NGO working to the benefit of women.
- 25 employees offered the opportunity to volunteer during a solidarity leave.

- to a grant.
- 5 brands mobilised to support the "Desert Flower" movie and the fight
- More than 1,000 employees' awareness raised on violence against women through exhibitions and conferences organised at numerous Group sites.
- All the Foundation's news and projects on line on the www.pprfoundation.org website.

pprfoundation.org



## Exemples of actions

## Solidarity leave:

Two weeks dedicated to building a maternity hospital in Ivory Coast by a Redcats employee.

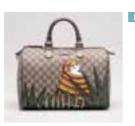
# Staff projects:

Teacher training for young Laotian women by the *Compter sur demain* French NGO, sponsored by a Fnac employee.

# Awareness-raising:

Special Preview of the "Desert Flower" movie: €55,000 raised for the French NGO, Équilibres & Populations and its pilot project to promote the elimination of Female Genital Mutilation in Mali.

At its first meeting, held on 2009 January, 29, the Board of Directors validated three major partnerships. These include the PPR Foundation's support to the *Médecins du Monde* project in Pakistan upgrading of services at women's shelters. It will benefit to some 10,000 women victims of domestic violence.



















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- 1/ Continuation of Gucci's partnership with UNICEF for the fifth consecutive year in 2009 through the creation of a special collection.
- **2/** More than 350 Fnac employees have benefited from the VPE process (Validation of Professional Experience) since 2004.
- **3/** Strengthening of Puma's partnership with the "Cotton made in Africa" project in 2009.
- **4/** Opening of Milestone Development Centre by Puma in Vietnam.
- 5/ Introduction of the eco-citizen, reusable bag at Avenue.

- **6/** Launch of The Green Toolbox guide to reduce the environmental impact of PPR Group stores.
- 7/ Household wear in "Fairtrade Cotton", available at La Redoute
- **8/** Invitation to Conforama's customers to support a solidarity mission by buying the *Jeu Collectif* comic strip.
- 9/ Pilot project to promote the elimination of Female Genital Mutilation in the Kayes district (Mali), led by *Equilibres & Populations*, a partner NGO of the PPR Foundation.
- 10/ Partnership between Vertbaudet and UNICEF.

Photo credits: Fnac / Laurent Zylberman, Puma