

EVENTS/CAUSES

LVMH offsets carbon footprint through \$5.8M fund

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LVMH environmental causes image

By STAFF REPORTS

French conglomerate Mot Hennessy Louis Vuitton is investing in the environment with the creation of a group-wide fund aimed at reducing the impact its operations have on the planet.

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A first for the company, the initiative places a monetary value on the greenhouse gas emissions produced through its activities and will then put that amount to work within its organization, making investments that will lower the amount of carbon released into the environment. LVMH's goal is to create a "virtuous cycle" that will create ecological progress across its stable of houses.

Collaborative effort

LVMH's internal carbon fund is governed by its Environmental Department as well as a panel of experts. Starting in 2016, all of the 70 LVMH brands will contribute funding to the initiative, with the amount invested based on their respective emissions.

For 2015, this was calculated based on 15 euros, or \$16, per metric ton. This amount will be revisited each year.

LVMH will then use the funds to invest in equipment designed to lower energy use, renewable energy creation and research to determine its entire impact, including that of its suppliers.

LVMH internal carbon fund: a 1-minute tour

LVMH has been actively working to protect the environment for two decades, with part of its efforts focused on education.

For instance, the conglomerate teamed with the European Commission during Green Week June 3-5 to share best practices in biodiversity.

The LVMH Group has developed sustainable environmental policies for the houses under its umbrella for the past 20 years including the preservation of natural raw materials used to make its luxury goods. LVMH recently joined the European Business and Biodiversity Platform as a strategic advisor to the European Commission ([see story](#)).