

EVENTS/CAUSES

## Kering benchmarks environmental progress through public report

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*Alexander McQueen spring/summer 2016 campaign*

By SARAH JONES

Fashion and lifestyle conglomerate Kering is keeping transparent by releasing the results of its four-year sustainability targets established in 2012.

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Published on its Web site, the final report looks at the achievements and remaining challenges for Kering as it looks to protect the "natural capital" necessary for its businesses. Beyond its own organization, Kering hopes to ignite changes in the entire industry, spurring innovations in raw materials and production of luxury goods by sharing its own findings and solutions.

"At Kering, we believe that being transparent overall will help drive ourselves, our suppliers and our industry to become more sustainable," said Marie-Claire Daveu, chief sustainability officer at **Kering**. "And further, that by sharing our challenges - particularly in the supply chain - and the real issues in our industry we are raising awareness for the need for these issues to be addressed collectively.

"A number of our Targets were very ambitious due to the required change to traditional systems and processes already in place in the supply chains, and it is through collaboration and the scaling of solutions that will drive and accelerate real change," she said.

### Measuring impact

Kering looked not only at its own actions, but of those of its suppliers, taking into account its entire impact. It found that it generates 12 percent of carbon emissions for its products, while the supply chain is responsible for the remaining 88 percent, making raw materials a key priority.

### *Kering Sustainability Targets 2012 - 2016*

When Kering established the goals in 2012, it sought to reduce its footprint within the most important raw materials for its business at the time: leather, precious skins, furs, gold, diamonds, paper and PVC. It then found through an Environmental Profits & Loss study ([see story](#)) that it needed to not only look at its priority materials, but also at those that were most apt to harm the environment, including cotton, cashmere, silk and wool.

As 50 percent of Kering's environmental impact comes from raw materials, it sought out alternatives and seeking and supporting new ways of cultivating materials.

Leather, which makes up 24 percent of Kering's total footprint, was a key concern. Kering established a Leather Sourcing Policy, which stood for traceability and against the conversion of natural ecosystems into grazing land.

Individual labels also took up the cause, as Gucci worked with EcoAge's Green Carpet Challenge to create a Zero Deforestation handbag with sustainable leather from Brazil, including an information card in each bag telling the consumer the story of the leather. The company reached 91 percent of its target for luxury bovine leather.

Kering is 99 percent toward its goal of eradicating PVC from its collections, as its brands have sourced alternative plastics. For instance, Stella McCartney, which does not use leather, began using Eco Alter Nappa, a coating derived from vegetable oil instead of harmful petroleum.



*Stella McCartney Pop falabella bags*

While Kering has made moves within plastic, it mentions that it alone cannot enact a large enough force on the plastic industry, requiring collaborators to create real viable solutions.

In 2012, Kering aimed toward having all of its precious skins and furs come from verified captive breeding operations or from sustainably managed wild animal populations. The group has partnered with conservation NGOs and has worked with stakeholders on research about practices.

While Kering has made strides in sustainable sourcing of skins, it says there are not enough suppliers that meet its standards of transparency in animal welfare. Again, if the industry as a whole put pressure on producers, it says it would be more apt to incite action.

Kering in 2012 aimed to have all of its gold and diamonds sourced in a way that does not negatively impact local communities or ecosystems. The group is 15 percent of the way toward fulfilling its target, with a number of its brands, including Boucheron and Gucci, opting for Fairmined gold. Kering also worked to promote certification and verification for artisanally mined gold, helping to support the livelihood that 200 million people rely on.



*Gucci jewelry campaign*

Kering aimed for 100 percent of its packaging to be derived from sustainable forests, with at least 50 percent recycled materials used. The group is 81 percent toward its goal.

Bottega Veneta has been sourcing its paper from Khan Na since 2013, a project that plants trees for paper around rice fields, working against climate change while also helping local farmers see better profits.

In general, Kering has seen an 11 percent reduction in carbon emissions, reaching 44 percent of its goal. The group has lowered its waste by 16 percent, achieving 64 percent of its target, while its water use has dropped by 19 percent over the past four years, 79 percent of the reduction it aimed for.

In 2013, as Saint Laurent was going through a rebranding, it began a "Second Life" program, which donated, recycled or sold materials it could no longer use, such as mannequins, visual merchandising and hangers.

Meanwhile, Stella McCartney introduced "Clevercare" labels that suggested low impact garment care to stretch the lifespan of apparel and also reduce water and energy use.



*Saint Laurent store in Paris*

Since 2012, Kering has grown the amount of renewable energy it purchases by 4.5 times. By 2015, almost a quarter of its total energy came from renewable sources.

Looking ahead, Kering has promised to omit hazardous chemicals from the production process. It will also be evaluating its suppliers every two years to ensure they are keeping to its standards.

Adding an additional layer of transparency, Kering hosted a public Q&A livestream on May 2. During the broadcast, Ms. Daveu was on hand to respond to audience questions about Kering's efforts.

"Our Final Sustainability Target report, and the experience and learnings we have had in working towards attaining these Targets, are helping guide us on the next chapter of our sustainability strategy and redefining our Targets," Ms. Daveu said. "We now have a framework and foundation in place with a deeper understanding of our supply chains, tools and stakeholder relationships to go further in becoming a more sustainable company in the future."

#### Protecting the future

The fashion sector is the second largest polluter in the world after the oil industry, according to a recent report by Fashionbi.

Because of the environment's importance to the industry and the increased public attention to and research on the importance of sustainability and the effects of climate change, numerous fashion brands are making an effort to have more sustainable practices. At the same time, consumers often see an "eco-brand" as one less concerned with quality and craftsmanship, placing luxury brands in a difficult spot ([see story](#)).

Aside from combatting the negative effects on the planet, taking a green approach to luxury will protect the resources the business counts on.

Forty-six percent of CEOs agree that climate change and the scarcity of resources will transform their business, according to a recent report by Positive Luxury.

Positive Luxury's "2016 Predictions for the Luxury Industry: Sustainability and Innovation" report examined impactful events from 2015 to forecast how these world happenings will impact luxury going forward into 2016. Sustainability is proving itself more than just a fad, with consumers becoming increasingly aware and conscious of how and what they purchase, and as a result investors are putting more weight into sustainable business models ([see story](#)).

Kering looks to give other brands a starting point to become more sustainable.

"Top level commitment to sustainability and leadership is very important, and then collaboration in every area of the business from sourcing and supply chain management, to manufacturing and retail, so it's not solely the sustainability departments driving change," Ms. Daveu said when asked about her advice for other companies.

"Operationally, prioritization and focus are essential to building a more sustainable business," she said. "Thus, setting clear targets that go beyond the 'traditional' and encompass a company's own operations, as well as its supply chain, and then creating and implementing solutions to meet these targets is key.

"In tandem, using a tool like our Environmental Profit and Loss (EP&L) accounting to measure and understand the

total environmental impact across the supply chain, to then prioritize actions in order to be more effective in reducing a company's footprint is equally important."

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