

SUSTAINABILITY

## LVMH gains on ESG targets according to latest report

April 25, 2023



*By the end of the year, 47 percent of LVMH's energy was renewable, fueling a slew of other environmental and social equity measures. Image credit: Prada Group*

By EMILY IRIS DEGN

French luxury conglomerate LVMH is promoting diversity in the workplace and the biosphere.

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The group's Social and Environmental Responsibility Report looks deeper than 2022's financial performance, platforming its environmental progress on an intersectional level. As consumers increasingly push for equitable representation and climate action on the part of corporations, LVMH is getting transparent about its part to play in the matter as the organization behind the creation and consumption of high-end goods.

"What would the point be of sparking dreams thanks to magnificent products if they do not meet the highest standards of social and environmental responsibility?" said Bernard Arnault, chairman and CEO of LVMH, in a statement.

"Our success is only valuable if it is virtuous," Mr. Arnault said. "It can only be sustainable if it is just.

"And it will be all the more brilliant if it benefits everyone beneficial for us and for our employees, for our customers of course, for our stakeholders, and above all for our future."

From the source

The report details LVMH's environmental and socially-focused efforts throughout 2022, honing in on a few key areas.

Carbon footprint reduction is highlighted, with concrete goals and achievements cited.



*LVMH's Life 360 tackles issues related to the climate crisis, from habitat loss to the need for lessened consumption of virgin materials. Image credit: Guerlain*

Thanks to the group's application of the Life 360 program across its maisons, energy-related greenhouse gas emissions were reduced by 11 percent compared to a 2019 baseline in 2022. LVMH also reports that 47 percent of its energy was renewable by the end of 2022.

Life 360 was first introduced in 2020 during the group's first Climate Week ([see story](#)). Executives shared the framework, outlining the four pillars, climate, biodiversity, circular economy and transparency in 2021, concrete targets were announced for each pillar ([see story](#)).

With the targets in mind, LVMH plans to reduce overall energy consumption by 10 percent between October 2022 and October 2023, and to lower greenhouse gas emissions from energy consumption by 11 percent and Scope 3 emissions by 15 percent during the same period.

At COP 15, LVMH announces ambitious new initiatives to promote biodiversity, in line with its environmental objectives.

Learn More: <https://t.co/FiuAKPUB0X#LVMH pic.twitter.com/wVRZI1LvY1>

LVMH (@LVMH) [December 16, 2022](#)

By 2026, LVMH aims to reduce energy-related greenhouse gas emissions by half compared to 2019, and reduce Scope 3 emissions by 55 percent. Additionally, by the same year, the group plans to use 100 percent low-carbon or renewable energy both on-site and within stores around the world.

Thanks to efforts such as these, as well as candidness concerning environmental targets, LVMH became one of only 12 companies in the world to achieve a triple "A" rating from the Climate Disclosure Project by the end of 2022 ([see story](#)).

The report outlines an additional way that the group is demonstrating transparency, as sourcing was a major focus for the year's sustainability initiatives.

	TARGETS	2022 RESULTS	PROGRESS versus 2021
 Biodiversity	<p>2026 100% of strategic raw materials certified to preserve ecosystems and water resources</p> <p>2030 5 million hectares of flora and fauna habitat regenerated and/or restored</p>	<p>Certification of strategic supply chains:</p> <ul style="list-style-type: none"> <li>• Cotton: 71%</li> <li>• Leather: 91%</li> <li>• LVMH vineyards: 94%</li> </ul> <p>1.37 million hectares preserved or restored</p>	<ul style="list-style-type: none"> <li>↗ +10%</li> <li>↗ +10%</li> <li>↗ +2%</li> </ul>
 Circular design	<p>2023 New circular design services: Repairs, upcycling, etc.</p> <p>2026 Packaging: Zero fossil-based virgin plastic</p> <p>2030 100% of new products covered by a sustainable design approach</p>	<p>39% recycled raw materials in glass and plastic packaging</p> <p>7,942 metric tons of fossil-based virgin plastic in customer packaging (8% reduction since 2019)</p>	
 Traceability/Transparency	<p>2030 100% of strategic supply chains covered by a dedicated traceability system</p>	<p>9,500 products covered by a traceability system for informing customers</p> <p>Country of origin to be known for:</p> <ul style="list-style-type: none"> <li>• Leather purchases: 86%</li> <li>• Wool purchases: 64%</li> </ul>	<ul style="list-style-type: none"> <li>↗ +137%</li> <li>↗ +10%</li> <li>↗ +2%</li> </ul>
 Climate	<p>2026 50% reduction in energy-related GHG emissions (baseline: 2019)</p> <p>100% renewable or low-carbon energy in-store and on-site</p> <p>2030 55% reduction and/or avoidance of Scope 3 GHG emissions</p>	<p>SBTi-validated carbon trajectory</p> <p>11% reduction in energy-related GHG emissions (baseline: 2019)</p> <p>47% renewable energy in the Group's energy mix</p> <p>77% of stores equipped with LED lighting</p>	<ul style="list-style-type: none"> <li>↗ +8%</li> <li>↗ +20%</li> </ul>

Multiple focus areas were highlighted in the report, namely the protection of biodiverse habitats and circular models of business. Image credit: LVMH

According to the report, LVMH means to develop and put to use a traceability system across all channels by 2030. The group points out the effectiveness of traceability tools combined with responsibility certifications when it comes to raising environmental standards, citing LVMH maison and U.S. jeweler Tiffany & Co.'s success in diamond transparency and ethical sourcing ([see story](#)).

Attention was also paid to responsible materials, as the group implemented numerous research projects, partnerships and biodiversity programs in this effort.

LVMH became one of several businesses that joined the Circular Bioeconomy Alliance supporting sustainable cotton agriculture on the African continent, founded in 2020 by the United Kingdom's King Charles III ([see story](#)).



LVMH is looking to both its own sourcing and new areas in which it can get involved in the name of sustainable agriculture and resource management. Image credit: L'Oral

The group's biodiversity programs also included regenerative initiatives, spanning materials and countries, including cotton in Turkey, merino wool in Uruguay and Australia, mohair in South Africa and palm oil in Indonesia.

Circularity was part of this push, as over 623,359 feet of fabric was upcycled over the course of 2022 thanks to LVMH's online resale platform Nona Source ([see story](#)).

### Green gender gains

Gender equality is another goal LVMH decided to pursue during the year.

By 2025, the group is pushing to eliminate the company's gender wage gap and plans to ensure that women hold 50 percent of all "key positions" by the same year. In 2022, women held 45 percent of these titles.

Luxury is increasingly connecting the need for female liberation and climate action, as environmental activists

shine a light on the issues' inherent relation.

Italian fashion house Gucci released a [Gucci Equilibrium](#) the brand's corporate responsibility arm podcast episode detailing the links between environmentalism and gender equality in March 2023, starring an award-winning journalist and climate justice proponent ([see story](#)). The initiative has also pointed out that it is a connection that indigenous people bring attention to often, as their lands are frequently dubbed as sacrifice zones and are disproportionately affected by the climate emergency.

"For us Indigenous Women, Earth Day is every day. Our resistance is practiced day by day. We are part of the land just as the land is a part of us." - [@NinaGualinga](#), Indigenous Earth Defender from The Kichwa People of Sarayaku, Ecuador [#MujeresAmazonicas](#)  
[#GucciEquilibrium](#) [pic.twitter.com/5Cfu6EOmsU](https://pic.twitter.com/5Cfu6EOmsU)

Gucci Equilibrium (@ggequilibrium) [April 24, 2023](#)

During the same month, Milanese jeweler [Pomellato](#) platformed the voice of American actor and activist Jane Fonda, who often shines a light on ecofeminism, a sect of environmentalism that recognizes the ways in which climate action especially benefits women ([see story](#)).

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