

SUSTAINABILITY

Richemont emissions climbed 24pc in 2022

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Despite sustainability measures, such as biodiversity risk assessments and attempts at waste reduction, Richemont's business expansion is warranting more ambitious efforts to keep up with a growing footprint. Image credit: Richemont

By EMILY IRIS DEGN

Swiss luxury conglomerate Richemont is out with its latest environmental and social governance numbers.

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The group's **FY23 ESG report**, covering the period ended March 31, 2023, shows that from 2021 to 2022, total greenhouse gas emissions rose to 1,906,626 tonnes (ktCO₂e), marking an increase of 24 percent. Despite sustainability measures, such as biodiversity risk assessments and attempts at waste reduction, Richemont's business expansion is warranting more ambitious efforts to keep up with a growing footprint.

Hitting the gas

Greenhouse gas emissions are up for Richemont's Scope 1 and Scope 3 emissions.

In 2022, Scope 1 emissions increased by 11 percent, going from 13,344 ktCO₂e to 14,792. The growing number of company vehicles in use accounts for 56 percent of the latest number, with fuel and gasoline making up 38 percent, and refrigerant leaks being 6 percent.

Compared to 2021, Richemont's Scope 3 emissions which account for 99 percent of the group's total emissions increased by nearly 24 percent in 2022.

Scope 3 emissions by category

SCO ₂ e	CY2019	CY2020	CY2021	CY2022
Total Scope 3	1 325.9*	1 194.1*	1 524.0*	1 887.2
Scope 3 per calculated category				
Purchased goods & services	961.4*	890.4*	1 230.4*	1 473.8
Capital goods	72.2	122.1	70.8	106.3
Fuel and energy-related activities	12.9	10.7	18.2	19.1
Upstream transportation & distribution	159.7	122.3	150.8	188.6
Waste generated in operations	5.1	2.1	2.7*	1.5
Business travel	53.8	9.1	10.5	39.3
Employee commuting	32.5	8.6	8.5	25.8
End-of-life treatment of sold products	6.1*	5.5*	8.5	9.8
Franchises	22.1	23.2	23.5	22.9

*Restated figures

Scope 3 emissions are generally known as the largest category for businesses, and for Richemont it is no different. Image credit: Richemont

Purchased items and services were responsible for 78 percent of the 2022 statistic. Between 2021 and the reporting period, the emissions from the category grew by 20 percent.

Richemont was able to decrease Scope 2 emissions, with market-based greenhouse gas emissions decreasing by 16 percent from 2021 to 2022 purchased electricity makes up 87 percent of the Scope.

Energy consumption, like total emissions, was also up from 2021 at 3 percent. The group attributes this slight uptick to an increase in rented and acquired buildings.

However, Richemont is starting to embrace renewable electricity as energy crises wage in Europe.

In honoring a 2021 agreement to source 100 percent of energy from renewables by 2025, the group increased its self-generated solar electricity by 58 percent year-over-year in 2022.



The group is slotting in renewables more and more as energy becomes a greater issue in Europe. Image credit: Richemont

Like with energy, the group's waste increase is being addressed through a focused effort, reducing the amount of waste sent to the landfill by 61 percent year over year, diverting 6, 685 tonnes Richemont's waste was up 9 percent in 2022, sitting at 13,987 tonnes.

Water usage between 2021 and 2022 increased by 5 percent, Richemont specifying that most of this is due to upstream activities such as raw material extraction within ecosystems.

Overall, the group's category with the greatest footprint is jewelry, followed by online distributors with the second biggest footprint, with fashion and accessories taking up third place.

In the face of increased emissions, energy consumption, waste and water usage, Richemont is focusing on the progress made with environmental reporting measures, acknowledging the importance of transparency.

"We have continued to make good ESG progress throughout FY23 against a volatile environment," said Burkhardt Grund, chief finance officer at Richemont, in a statement.

"In FY23 we initiated comprehensive change across our Group functions and regions as well as our Maisons to further integrate ESG principles across our business," Mr. Grund said. "Reinforcing our ESG framework, our FY23 report contains significantly increased GRI disclosures."

Sustainable shifts

Though Richemont's expansion is making for necessary growth on the sustainability front the group hit a record \$21.7 billion in sales for 2022 ([see story](#)) green governance is already being tackled by the conglomerate.



Ms. Ruchat marks the first of her assigned role, heading up Richemont's sustainability as the group takes a stab at green governance. Image credit: Richemont

During the reporting period, Richemont named its first-ever chief sustainability officer, Brangre Ruchat, appointing her to the executive committee.

From education initiatives ([see story](#)) to addressing the need for equal pay, the leader is spearheading sustainability in an intersectional way.

"While shifting towards a more compliance-driven approach to ESG, we continued to meet important milestones, from the phase-out of PVC to our gender-equal pay certification by the Equal-Salary Foundation in Switzerland and France, two of our largest markets in terms of headcount," said Ms. Ruchat, in a statement.

"We are on a journey of continuous improvement, and we look forward to accomplishing more in 2024 and beyond to safeguard our planet while crafting a more sustainable, responsible future."

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