Environmental Profit & Loss Accounting
Alternative Reporting for the Future

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WHO WE ARE

Gucci • Bottega Veneta • Saint Laurent • Balenciaga • Alexander McQueen • McQ
Stella McCartney • Brioni • Christopher Kane • Tomas Maier
Boucheron • Pomellato • Dodo • Qeelin • Ulysse Nardin • Girard-Perregaux
Puma • Cobra • Volcom
Kering Eyewear
Kering’S EnVIRONMENTAL PROFIT AND LOSS ACCOUNT
Kering pioneered the EP&L to measure and monetise the environmental impact of its own operations and its entire supply chain.

**WHAT IS AN EP&L**

<table>
<thead>
<tr>
<th>Tier 0: Operations and Stores</th>
<th>Tier 1: Final Assembly</th>
<th>Tier 2: Preparation of Subcomponents</th>
<th>Tier 3: Raw Material Processing</th>
<th>Tier 4: Raw Material Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gas Emissions</td>
<td>Water Consumption</td>
<td>Waste</td>
<td>Water Pollution</td>
<td>Air Pollution</td>
</tr>
</tbody>
</table>

**UPSTREAM IN THE SUPPLY CHAIN**

**Environmental Reporting**

**Additional Environmental Impacts**
IMPACTS COVERED BY AN EP&L

Environmental Footprint \times \text{Impact Valuation} = \text{EP&L}

6 INDICATORS \quad \text{AIR POLLUTION}

1 INDICATOR \quad \text{GREENHOUSE GAS EMISSIONS}

11 INDICATORS \quad \text{LAND USE}

2 INDICATORS \quad \text{WASTE PRODUCTION}

1 INDICATOR \quad \text{WATER CONSUMPTION}

41 INDICATORS \quad \text{WATER POLLUTION}
EP&L BENEFITS AND CHALLENGES
WHY WE USE AN EP&L

- **Understand** our true impacts and **identify** hotspots

- **Reveal risks** and find **effective solutions** for mitigation

- Use as **decision-making tool**

- Be **transparent** with our stakeholders and investment community

<table>
<thead>
<tr>
<th>Category</th>
<th>Tier 0: Stores, Warehouses, Offices</th>
<th>Tier 1: Assembly</th>
<th>Tier 2: Manufacturing</th>
<th>Tier 3: Raw Material Processing</th>
<th>Tier 4: Raw Material Production</th>
<th>Total in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Emissions</td>
<td>![Air Emissions Icon]</td>
<td>![Air Emissions Icon]</td>
<td>![Air Emissions Icon]</td>
<td>![Air Emissions Icon]</td>
<td>![Air Emissions Icon]</td>
<td>10% €81.5</td>
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<tr>
<td>GHGs</td>
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<td>![GHGs Icon]</td>
<td>![GHGs Icon]</td>
<td>![GHGs Icon]</td>
<td>37% €301.3</td>
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<tr>
<td>Land Use</td>
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<td>![Land Use Icon]</td>
<td>24% €191.4</td>
</tr>
<tr>
<td>Waste</td>
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<td>![Waste Icon]</td>
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<td>![Waste Icon]</td>
<td>5% €43.5</td>
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<tr>
<td>Water Consumption</td>
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<td>![Water Consumption Icon]</td>
<td>![Water Consumption Icon]</td>
<td>![Water Consumption Icon]</td>
<td>17% €93.1</td>
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<tr>
<td>Water Pollution</td>
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<td>![Water Pollution Icon]</td>
<td>![Water Pollution Icon]</td>
<td>![Water Pollution Icon]</td>
<td>12% €90.1</td>
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<tr>
<td>Total in Millions</td>
<td>7% €61.1</td>
<td>15% €124.4</td>
<td>5% €39.3</td>
<td>28% €223.9</td>
<td>45% €362.5</td>
<td>100% €811.2</td>
</tr>
</tbody>
</table>
HOW WE USE AN EP&L

• **Drive** sustainability strategy and investment

• **Influence** daily choices

• **Monitor progress** of 2025 strategy, while forecasting and preparing for the future
WHAT ARE THE CHALLENGES OF AN EP&L

- On-the-ground **scientific metrics** on specific impacts
- **Traceability** all the way to raw material sourcing and extraction
- Collecting **primary information** from suppliers
- Results **not static** thus complex business interpretations
- **New innovation** equals new and **evolving learnings**
- **Comparability** of results to peers and **aligned standards**
Empower My Imagination