

GUCCI

GUCCI ANNOUNCES THE LAUNCH OF WORLDWIDE ECO-FRIENDLY INITIATIVE AIMED AT REDUCING PAPER CONSUMPTION AND Co2 EMISSIONS

June 5th 2010, Milan - Gucci is pleased to announce the launch of a worldwide eco-friendly program designed to progressively reduce the company's impact on the environment. The centrepiece of this new initiative is packaging newly designed to reduce materials, exclusively use FSC Certified paper and to be 100% recyclable. The initiative will be introduced in all of its 284 directly operated stores around the world from June 2010. The new packaging concept not only represents an important action towards environmental responsibility, but also reinforces Gucci's heritage as the company approaches its 90th anniversary in 2011. It is within this dual context that Gucci's new packaging has been conceived by Gucci Creative Director Frida Giannini pairing past with present and luxury with responsibility.

Frida Giannini said, "This project proves that you sacrifice nothing creatively when working with environmentally friendly materials. The new packaging is very beautiful and evokes perfectly the combination of Gucci's values and the traditions for which it has become renowned since Guccio Gucci founded the company in Florence nearly 90 years ago. I believe we have a collective responsibility towards future generations to minimise our impact on the environment."

Employing a sophisticated beater-dyed paper in chocolate brown, the new shopping bags and gift boxes feature a de-bossed GG logo, which was first used in the 1960s and emulates the present day iconic Guccissima leather. The surface of the packaging has a subtle luminosity and underscores the experience of luxury as well as the warm tones of Frida Giannini's Gucci retail store concept. The brown pantone is complemented by the GUCCI logo in gold as well as "Firenze 1921", as an acknowledgement of the company's birthplace, its Made in Italy tradition and its near 90-year history. The gucci.com website address is also newly added to the side of the shopping bags in recognition of the way in which Gucci's online store and direct store network complement each other. The inside of the shopping bag features the sentence: *This shopping bag is FSC certified and made of 100% recyclable material.* All plastic laminated surfaces (a common feature in fashion brand packaging that is not recyclable) have been removed from shopping bags and boxes. Tissue paper is no longer coated and both ribbon and garment bags have been switched from polyester to cotton.

The FSC (Forest Stewardship Council) certification verifies that all trees used to create the paper of bags and boxes come from well managed forests and that every stage in the production chain meets the FSC standards. Gucci is a leader in having complied with every requirement stipulated and all the company's suppliers involved in the launch of the new packaging are FSC certified. Gucci has committed that by the end of 2010 all of its purchases of non-recycled forest products will be Forest Stewardship Council (FSC) certified products to ensure that no paper is being sourced from endangered forests including the rainforests of Indonesia, one of world's hotspots of deforestation and climate change. Furthermore, it will continue to seek alternative fibre options to use in its packaging products, include biodegradable bags made of corn, bamboo and cotton.

As part of the overall objective to limit its environmental impact Gucci is also taking this opportunity to rationalise its packaging offering in order to limit excess. Items will be shipped from the factory to stores in a more conscientious way. Shoes will be packed in one flannel instead of two. Gift boxes will only be given out when requested. Gucci is going to replace all of its mannequins with a new eco-friendly version, designed by Frida Giannini, made with shockproof polystyrene - a long-lasting and 100% recyclable raw material - fully made in Italy and finished with water-based paints.

Patrizio di Marco, President and CEO of Gucci, said: "The world's leading brands are rightly judged today not just on the quality of their products and services, but also on the way they act in the community and towards the environment. In 2004, Gucci took a leadership position in the industry by voluntarily initiating the certification process for Corporate Social Responsibility (SA 8000) across its supply chains. In the same year Gucci established a partnership with UNICEF, which in the last six years has generated more than US\$ 8 million for its projects supporting disadvantaged children and women in sub-Saharan Africa Now. These are initiatives which are part of our values system just as we believe a concern for the environment needs to be."

Other sustainability actions being taken by the company include:

- the progressive substitution of printed collateral materials with E-Cards and E-Catalogues, with customers be offered a "go green" option when registering;
- the implementation of a transportation load optimization policy aimed to reduce truck transportation by 30% with a progressive shift from Euro 4 to Euro 5 transportation;
- the introduction of an energy saving program for the retail store network involving reduced lighting after hours, installed light detectors, switching to 35 W halogen bulbs;
- the testing of LED lights, the reviewing of composite stone versus marble;
- the use of composite veneer for the furniture production, instead of solid wood.

Through these various initiatives Gucci aims to achieve the following targets by the end of 2010:

- a reduction of 35 tons of plastic waste;
- a reduction of 1,400 tons of paper consumption (coming from the implementation of the new packaging, the replacement of a cardboard box with a recyclable bag and the optimisation of paper consumption from catalogues and promotional materials);
- a reduction of about 10,000 tons of Co2 emissions;
- a reduction of about 4 millions litres of gas oil consumption.

Lafcadio Cortesi, Forest Campaign Director of the Rainforest Action Network (RAN), commented, "We are impressed with Gucci's actions to improve its environmental footprint. The company's decision to reduce its paper and wood consumption and only buy FSC Certified products will help protect Indonesian and other endangered forests around the world and sets an example for other companies in the luxury sector. "

In 2004, Gucci initiated a voluntary certification process for Corporate Social Responsibility (SA 8000), which has now been received for its leather goods, shoes, ready to wear, silk and jewelry supply chains. The certification validates the values of business ethics, respect for human rights, environment, workers' health, safety and rights and equal opportunities. More than 400 Gucci suppliers and sub-suppliers across all the range of product categories have also been trained on social responsibility themes, and more than 1,000 suppliers and sub-suppliers have been audited to verify their compliance to the standards defined by the company. As a consequence of the successful achieving the SA8000 certifications, Gucci has recently completed an environmental pre-audit in order to obtain the ISO 14001 certification by the end of 2010.

Founded in Florence in 1921, Gucci is one of the world's leading luxury fashion brands. With a renowned reputation for quality and Italian craftsmanship, Gucci designs, manufactures and distributes highly desirable products such as leather goods (handbags, small leather goods, and luggage), shoes, ready-to-wear, silks, timepieces and fine jewellery. Eyewear and fragrances are manufactured and distributed under license by global industry leaders in these two sectors. Gucci products are sold exclusively through a network of directly operated boutiques (284 at March 2010) and a small number of selected department and specialty stores.