



## Press Release

04.11.2015

### Kering and BSR tackle resilience to Climate Change for Luxury fashion

Kering, the Luxury group, and BSR (Business for Social Responsibility), the global non-profit business network and consultancy dedicated to sustainability, published a pivotal report on climate change for the fashion industry today. As a first analysis of climate change and its consequences for the Luxury sector, the "Climate change: implications and strategies for the Luxury Fashion sector" report aims to help Luxury fashion companies understand their specific vulnerabilities to climate change, and provide guidance on building new and more resilient business models.

According to the Carbon Disclosure Project (CDP), around 50% of an average corporation's carbon emissions come from the supply chain, and where the Luxury sector is concerned the majority of these emissions can occur in raw material production and the initial processing stages. Furthermore, Luxury fashion companies can be exposed to additional risks in their supply chains due to climate change that are beyond the typical risks of other sectors. On top of potential transport and delivery disruption, resource scarcity, and the challenges of social change, the Luxury sector has particular sensitivities to climate change. This is mainly because of its reliance on high quality raw materials that come from production systems that are limited geographically and that are particularly vulnerable to climate variations. As such, the report focuses on key strategic raw materials for the Luxury sector and provides a summary of an in-depth analysis on the current and future climate risks for cotton, cashmere, vicuna, silk, beef and calf leather, and sheep and lamb leather. Additionally, the report highlights how to build resilience in supply chains through a focus on both enhanced efficiency and innovative approaches to raw material production with actions and solutions that are already available for businesses. Key outcomes and learnings from the report include:

- Companies need to understand their supply chains and focus on supporting production systems for their raw materials, that will be more resilient in the face of the shocks and volatility brought on by climate change
- Both the quantity and quality of raw materials will be increasingly affected by the impacts of climate change, leading to significant business risks
- Climate change will affect many of the key production regions for luxury raw materials with some geographies being more vulnerable than others
- Raw materials that are geographically restricted, such as vicuna, are particularly vulnerable
- Decline in the productivity of raw materials will have serious consequences for small holder producers and their communities
- Solutions at the base of the supply chain can deliver a multitude of social, environmental and business benefits

Authored by experts in business approaches in supply chains at Kering and BSR, the report builds on information and research<sup>1</sup> that has assessed the impacts of climate change on business.

*"Given the luxury sector's reliance on high quality raw materials, we must understand the potential vulnerabilities that climate change will pose to them and be proactive in building resilience across our supply chains,"* said Marie-Claire Daveu, Chief Sustainability Officer and Head of international institutional affairs, Kering, *"In fact, implementing an ambitious climate strategy at a company level is non-negotiable. By doing so, businesses will have opportunities to reduce risk and deliver against their business goals, while at the same time making significant contributions to the environment and society more broadly."*



*"All businesses must prepare for and combat the effects of climate change," said Aron Cramer, President and CEO, BSR. "This report shows how climate change is affecting the Luxury fashion industry. Crucially, it presents solutions that will help Luxury sector executives protect the availability of high-quality raw materials at the heart of their value proposition from the effects of climate change."*

**To download the "Climate change: implications and strategies for the Luxury Fashion sector" report by Kering and BSR, [click here](#).**

#### **About BSR**

*BSR is a global nonprofit organization that works with its network of more than 250 member companies to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit [www.bsr.org](http://www.bsr.org) for more information about BSR's more than 20 years of leadership in sustainability.*

#### **About Kering**

*A world leader in apparel and accessories, Kering develops an ensemble of powerful Luxury and Sport & Lifestyle brands: Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, McQ, Stella McCartney, Tomas Maier, Sergio Rossi, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, Ulysse Nardin, PUMA, Volcom, Cobra and Electric. By 'empowering imagination' in the fullest sense, Kering encourages its brands to reach their potential, in the most sustainable manner. Present in more than 120 countries, the Group generated revenues of €10 billion in 2014 and had more than 37,000 employees at year end. The Kering (previously PPR) share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).*

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#### **Websites:**

[www.bsr.org](http://www.bsr.org)  
[www.kering.com](http://www.kering.com)

#### **Social Media**

Twitter: @BSRnews @KeringGroup  
LinkedIn: BSR Kering

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<sup>i</sup> Analysis from key sources and publications: the 'Business in a Climate Constrained World: Creating an Action Agenda for Private-Sector Leadership on Climate Change' report, the 'Kering-Maplecroft report' and Kering's Environmental Profit and Loss methodology.