

Environment and sustainability

Energy consumption by business group changed as follows between 2021 and 2022:

| (in MWh) | 2022 | 2022 Estimated store scope ^(b) | 2021 | 2022 pro forma ^(a) | Change ^{(a),(c)} (as %) |
|---------------------------|------------------|---|------------------|----------------------------------|-------------------------------------|
| Wines and Spirits | 245,961 | - | 233,665 | 246,699 | 5 |
| Fashion and Leather Goods | 409,896 | 85,000 | 398,686 | 405,767 | 2 |
| Perfumes and Cosmetics | 99,760 | 4,232 | 99,267 | 96,504 | (3) |
| Watches and Jewelry | 102,060 | 34,498 | 46,869 | 44,162 | (6) |
| Selective Retailing | 338,092 | 60,478 | 308,582 | 317,150 | 3 |
| Other activities | 150,824 | 378 | 111,075 | 117,231 | 6 |
| Total | 1,346,593 | 184,586 | 1,198,144 | 1,227,513 | 2 |

(a) Value and change at constant scope.

(b) Estimated power consumption by stores not covered by reporting (27% of total sales floor area).

(c) Excludes estimated store power consumption.

Energy consumption by business group and by energy source was as follows in 2022:

| (in MWh) | Electricity | Natural gas, butane and propane | Fuel oil and heavy fuel oil | Steam | Ice water | Renewable energies | % renewable energies ^(a) |
|---------------------------|----------------|---------------------------------------|-----------------------------------|---------------|---------------|-----------------------|--|
| Wines and Spirits | 10,871 | 60,885 | 34,622 | - | - | 139,583 | 57 |
| Fashion and Leather Goods | 152,248 | 105,322 | 11,399 | 2,804 | 3,391 | 134,732 | 33 |
| Perfumes and Cosmetics | 10,879 | 28,193 | 2,731 | 429 | - | 57,528 | 58 |
| Watches and Jewelry | 6,065 | 5,040 | 381 | 1,334 | 333 | 88,907 | 87 |
| Selective Retailing | 151,433 | 15,778 | 1,053 | 5,761 | 7,310 | 156,757 | 46 |
| Other activities | 49,780 | 32,342 | 10,816 | 4,329 | 3,761 | 49,796 | 33 |
| Total | 381,276 | 247,560 | 61,002 | 14,657 | 14,795 | 627,303 | 47 |

(a) Not including estimated data for stores not covered by reporting.

5.2.2 Greenhouse gas emissions

5.2.2.1 Direct emissions (Scope 1) and indirect emissions (Scope 2)

Scope 1 emissions are those generated mainly through the combustion of fuel oil and natural gas. Scope 2 emissions are those generated indirectly from energy use, mainly electricity

used in stores and at the Group's production sites. In 2022, the emissions factors were updated on the basis of the most recent databases (IEA, Ecoinvent, etc.).

Energy-related CO₂ emissions by business group changed as follows between 2021 and 2022:

| (in metric tons of CO ₂ equivalent) | CO ₂ emissions in 2022 ^(e) | | Of which: | CO ₂ emissions in 2022 estimated store scope ^(c) | CO ₂ emissions in 2021 | CO ₂ emissions in 2022 pro forma ^(a) | Change ^{(a),(b),(d)} (as %) |
|--|--|------------------------------------|------------------------------------|--|-----------------------------------|--|---|
| | Direct CO ₂ emissions | Indirect CO ₂ emissions | Indirect CO ₂ emissions | | | | |
| Wines and Spirits | 25,939 | 21,743 | 4,196 | - | 34,470 | 26,111 | (24) |
| Fashion and Leather Goods | 97,875 | 24,731 | 73,145 | 33,154 | 107,301 | 93,677 | (13) |
| Perfumes and Cosmetics | 12,696 | 6,475 | 6,221 | 2,449 | 14,285 | 11,140 | (22) |
| Watches and Jewelry | 7,779 | 1,137 | 6,642 | 13,461 | 8,965 | 7,071 | (21) |
| Selective Retailing | 85,134 | 3,504 | 81,630 | 22,835 | 96,315 | 81,650 | (15) |
| Other activities | 28,020 | 9,803 | 18,217 | 75 | 28,842 | 27,989 | (3) |
| Total | 257,444 | 67,393 | 190,051 | 71,973 | 290,177 | 247,638 | (15) |

(a) Value and change at constant scope.

(b) Update of emissions factors.

(c) CO₂ emissions by stores not covered by reporting (27% of total sales floor area).

(d) Excludes estimated store power consumption.

(e) This figure does not include estimated emissions generated by stores in 2021.

5.2.2.2 Scope 3 emissions

In 2022, LVMH enlisted the services of an external firm to assess the carbon footprint of its entire value chain based on 2021 data. The 2019 baseline was revised to take into account additional emissions, in particular relating to fixed assets; this revision was approved by SBTi. The total carbon footprint thus stood at 6.1 million metric tons of CO₂ equivalent (tCO₂e), including 5.7 million metric tons from Scope 3 emissions, broken down as follows:

- more than 50% of Scope 3 emissions are generated by the sourcing of raw materials (products and packaging).
- The main sources of greenhouse gas emissions are the production of luxury wool fibers (599,100 tCO₂e); leather (357,000 tCO₂e); grapes, wines and spirits (94,960 tCO₂e, which includes vineyards belonging to the Group's Maisons as well as independent grape suppliers); glass for packaging (97,800 tCO₂e); and cotton (187,000 tCO₂e);
- inbound and outbound transport of components and finished products is the second-largest area, generating 14% of Scope 3 emissions;
- employees' commutes were assessed using average figures by geographic region and accounted for 3% of Scope 3 emissions.

Greenhouse gas emissions generated by inbound transport (transport of raw materials and components toward production sites; only the main components and raw materials are taken into account) broke down as follows in 2022:

| <i>(in metric tons of CO₂ equivalent)</i> | Road | Air | Ship | Rail | Liquid natural gas | Total |
|--|---------------|---------------|--------------|----------|--------------------|---------------|
| Wines and Spirits | 28,114 | 258 | 720 | 8 | 67 | 29,167 |
| Fashion and Leather Goods | 10,586 | 6,615 | 490 | - | 18 | 17,709 |
| Perfumes and Cosmetics | 1,322 | 43,558 | 424 | - | 29 | 45,333 |
| Watches and Jewelry | 188 | 1,752 | - | - | - | 1,940 |
| Selective Retailing | - | - | - | - | - | - |
| Other activities | 5 | 16 | - | - | - | 21 |
| Total | 40,215 | 52,199 | 1,634 | 8 | 114 | 94,170 |

Greenhouse gas emissions generated by outbound transport (transport of finished products from production sites to distribution centers) broke down as follows in 2022:

| <i>(in metric tons of CO₂ equivalent)</i> | Road | Rail | Air | Ship | Inland barge | Electric vehicle | Liquid natural gas | Total |
|--|---------------|------------|----------------|---------------|--------------|------------------|--------------------|----------------|
| Wines and Spirits | 28,120 | 573 | 6,488 | 21,209 | - | 3 | 340 | 56,733 |
| Fashion and Leather Goods | 6,088 | 12 | 202,566 | 2,091 | - | 6 | 1,121 | 211,884 |
| Perfumes and Cosmetics | 3,382 | - | 177,103 | 1,512 | - | - | 143 | 182,140 |
| Watches and Jewelry | 516 | - | 23,122 | 139 | - | - | - | 23,777 |
| Selective Retailing | 4,524 | - | 2,601 | 77 | - | 42 | 9 | 7,253 |
| Other activities | 185 | - | - | - | - | - | - | 185 |
| Total | 42,815 | 585 | 411,880 | 25,028 | - | 51 | 1,613 | 481,972 |

The following Maisons did not report any data for transport-related indicators: Rimowa, DFS, Royal Van Lent, Pucci, Thélios and Château Cheval Blanc. Furthermore, the reporting process in respect of inbound transport is still under development at some Maisons, with the result that inbound transport indicators are subject to a high degree of uncertainty.

Louis Vuitton is working to reduce its dependence on air freight and contributed to the aviation sector's transition, by increasing the use of sustainable aviation fuel (SAF) and by supporting its development. This biofuel is made exclusively from used cooking oil, with the potential to reduce CO₂ emissions by 80% compared with fossil kerosene. In 2022, Louis Vuitton was one of the leading contributors to SAF development worldwide, due to its strong advocacy in this area. The Maison's CO₂ emissions due to air freight have been reduced by 20%.