



Walpole Sustainability Report

INSIGHTS FROM THE
BRITISH LUXURY SECTOR

MARCH 2021

IN PARTNERSHIP WITH



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Purpose-led luxury in a rapidly changing world

In a rapidly changing world, the British luxury sector is leveraging its significant capacity for innovation, quality, and creativity to enter a new era of sustainable business. Now, more than ever, the sector must act to address climate change, resource scarcity and human rights risks across the value chain, while delivering ever higher levels of transparency to consumers and investors.

The luxury sector is worth £48 billion to the British economy.

With a prestigious heritage extending back many centuries and worth £48 billion to the British economy, the UK luxury sector has both the opportunity and responsibility to carve a name for itself as a sustainability leader. The sector's relentless focus on quality, skilled craftsmanship and durability stands to make an important contribution to a circular economy, helping to conserve our climate and natural resources. But there is still more to do.

The business case for sustainable luxury is clear. Beyond the pressing need for supply chain resilience, luxury stakeholders are seeking better environmental, social and governance (ESG) performance. Investors are increasingly considering ESG opportunities and risks in investment decisions, while sustainability is fast becoming a condition of doing business and retaining Royal Warrants. Research from McKinsey & Company shows that more than 50% of consumers are reporting lifestyle changes to reduce their environment footprint, and 63% of consumers consider a brand's action on sustainability as an important purchasing factor. The regulatory landscape is evolving apace as the British government sets bold climate and environmental goals. The definition of sustainability is evolving too. Stakeholders expect businesses to have a sense of purpose and for their efforts to be infused with meaning and responsibility. We are entering a new era of thoughtful consumption. It's clear that a definition of luxury will increasingly be one with sustainability at its heart.

"It's preserving craftsmanship. We have a slow and sustainable way of producing, we don't have a production line so we're not using lots of machinery or energy, most things are done by hand ultimately." **SAVOIR BEDS**

WALPOLE'S SUSTAINABILITY AMBITION

At Walpole, our aim is for the UK to become the leader in sustainable luxury. It is an ambitious vision and we will support our community of 270 member businesses by helping them share the benefit of their passion, knowledge and expertise with each other, and by galvanising and facilitating collective action. Working with McKinsey & Company throughout 2019, conducting extensive consultation with industry experts, we developed our Sustainability Manifesto and strategy. The British Luxury Sustainability Manifesto defines the issues that matter most to our sector and stakeholders – circular economy innovation, environmental stewardship, supply chain excellence and workplace equality – and our 12 aspirations are designed to establish a pathway for future sustainability success. Importantly, they help member businesses fulfil the 2030 UN Sustainable Development Goals, becoming part of the broader, global push for a fairer, more sustainable world.

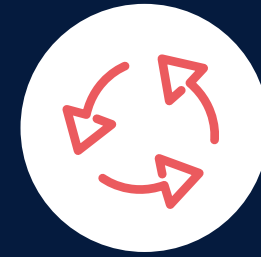
“Collaboration among peers is vital to achieving real system change. By working together, we can transform our sector and build a more sustainable future.” **BURBERRY**

The founding signatories of the Manifesto – Burberry, Chivas Brothers, dunhill, Harrods, Johnstons of Elgin, Mulberry and The Savoy – have now been joined by more than 70 Walpole members, all of whom have committed to CEO-led action, transparent communication, and to appointing a dedicated team to take ownership of their sustainability journey.

ABOUT THIS REPORT

A central pillar of the British Luxury Sustainability Manifesto was to establish category working groups, bringing together the sustainability leads across the Walpole membership with the goal of being a catalyst for collaboration. These working groups share expertise, combine resources and align on areas of joint action to accelerate the pace of change towards a more sustainable future. In 2020, despite the challenges of the pandemic, more than 80 members joined seven working groups to forge new, more collaborative ways of working, openly discussing their challenges, successes, research and innovation, suppliers and contacts and, importantly, ideas for joint action.

Through this report we are delighted to share the insights and progress from those working groups. Walpole's thanks go to all our members and partners for entering into the discussions with such commitment, clarity and openness. In particular, this report spotlights the key consumer insights and summarises the progress of British luxury brands against the four pillars of our sustainability strategy, exploring common challenges such as climate action, packaging, and diversity and inclusion. We have also provided a 'how to' guide on communicating effectively with consumers on sustainability, gathering all of the learnings and experiences shared through the working groups. We hope you find this progress report both helpful and encouraging and look forward to many more fruitful discussions in the next working group meetings over the course of 2021.



LEAD THE TRANSITION TOWARDS A CIRCULAR ECONOMY

1. 100% of plastic packaging to be reusable or “widely recyclable” and include at least 30% post-consumer recycled content.
2. Demonstrate commitment towards extending product life through circularity initiatives.
3. Zero wastage to landfill and incineration across own operations.



SAFEGUARD ENVIRONMENT & NATURAL RESOURCES

4. 50% absolute reduction in scope 1,2 and 3 emissions.
5. 100% energy from renewable sources.
6. 30% water usage reduction across own operations.
7. Zero discharge of hazardous chemicals.



GUIDE SUPPLIERS TOWARDS SUSTAINABLE PRACTICES

8. 100% sourcing from “responsible” suppliers.
9. 100% traceability on full supply chain.



ADVOCATE EQUAL & RESPECTFUL WORKING CONDITIONS

10. All members to demonstrate compliance with human rights and labour laws and pay living wages.
11. 50% senior management from under-represented groups.
12. Eliminate median gender pay gap.

TOWARDS SUSTAINABLE LUXURY

Sustainability is firmly on the agenda of the British luxury sector and is becoming central to core business strategy with 90% of Walpole members considering it a top five corporate priority. Luxury businesses are building momentum by defining group strategies and harmonising approaches across their operations. This includes aligning corporate responsibility strategies with the UN SDGs. Importantly, there is clear recognition that the journey to sustainability is a collective endeavour. Companies continue to engage and empower their employees – central to delivering sustainability goals – while collaborating with suppliers and partners to strengthen supply chains and raise ethical and environmental standards.

The majority of luxury businesses, particularly brands and retailers, continue to see a sharp rise in interest in sustainability among consumers, and pressure from multiple stakeholders to deliver greater transparency on ESG issues. More than this, consumers simply expect sustainability to be taken care of – it is seen as ‘part of the package’ – alongside quality and exclusivity. Transparency remains important in demonstrating progress and commitment, and many luxury brands are choosing to seek recognised certifications, from certified organic status to sustainable building certificates and B-Corp certification.

“Overall, 63% of consumers consider a brand’s action on sustainability as an important purchasing factor. And these trends can all be accelerated by making sustainability easy and desirable.” **MCKINSEY & COMPANY**

Despite the heightening of ambitions and strong performance in many quarters, the 2020 Covid-19 pandemic presented distinct challenges for all. Sustainability moved temporarily out of focus, while businesses mobilised to address the safety of their employees and customers, dealing with chaos caused by disrupted supply chains, travel and hospitality restrictions, and marked changes in consumer behaviour. In the hospitality sector we saw hotels and restaurants (when able to open) revert to single use plastics for the necessary hygiene reasons and investment temporarily channelled away from work on green buildings, renewable energy raw material traceability. However, overall, the crisis also galvanised brands to re-double their efforts, confirming the critical importance of their commitment to sustainability.

The pandemic still has a hold on our world, yet signs of hope are emerging, and Walpole members are confident that sustainable luxury can play a pivotal role in enabling people to live their values and improve their wellbeing. As more people than ever spend time inside, Interior Designers are preparing to share the story of healthier indoor spaces; luxury travel companies are reinforcing efforts to help clients contribute positively to local communities; and retail members are collaborating to define shared standards for inbound packaging and sustainable store design.

Even amid the pandemic, we continue to hear of impressive feats, reinforcing British luxury’s determination to keep up the momentum. Our mission is to help members define their vision and action plans, to help leverage their creativity, share innovation, and generate value for their business and stakeholders.

WALPOLE INSIGHT

In conversation with McKinsey & Co: Understanding the consumer intention vs action gap

The gap between consumer intention to live sustainably and their actions when they reach the store is well documented. McKinsey’s consumer sentiment survey within the apparel sector¹ found that while this discrepancy still exists, there is a marked shift towards consumers caring more about the environment, and gradually, purchases are following suit. Here, McKinsey Associate Partner, Libbi Lee, explores how this trend is unfolding across the generations, and what it means for luxury brands.

“Nearly 90% of consumers believe that more attention needs to be paid to reducing pollution, and two thirds of consumers, see it as more important to limit climate impacts in the wake of the Covid-19 crisis. We’re really starting to see consumers engaging more in this area and exploring how they can make a difference. More than 50% of consumers are also reporting lifestyle changes to reduce their environment footprint, with the younger generations focusing more on durability and repair. Overall, 63% of consumers consider a brand’s action on sustainability as an important purchasing factor. And these trends can all be accelerated by making sustainability easy and desirable.

Our global, cross-sector consumer sentiment research tells us that the focus on sustainable purchases is more pronounced in Europe than the US.² Affluent customers are more likely to factor health into purchases, and in all countries,

consumers trust small brands more than large companies. Interestingly, 79% of global consumers say they include sustainable packaging in their purchasing decisions.

So, who is acting on their intentions? It may come as no surprise that it’s the youngest consumer, Generation Z, who is most likely to make sustainable purchases, but millennials are also leading the way here, which may be due to their relatively higher level of disposal income. Indeed, 75-80% of millennials highlight sustainability as their reason for ‘trading up’ to a more upmarket, sustainable product.

We also see evidence of companies with sustainable product portfolios reporting significant increases in profit. Unilever’s Sustainable Living Brands, for example, grew 69% faster than the rest of the business in 2018.³

Within the luxury sector, brands have a unique selling point when it comes to longevity. With some 65% of consumers reporting intentions to buy more high quality, durable products, there is a clear opportunity here to capitalise on this trend and emphasise the ‘built to last’ philosophy that’s central to brands’ offerings, as well as the timelessness and classic nature of luxury products. Getting to the heart of consumer expectations as they relate to the sector will be crucial to operating successfully as sustainability moves higher up the consumer agenda.”

¹McKinsey Consumer Sentiment Survey on sustainability in apparel during COVID-19, April 2020

²McKinsey 2020 Global Consumer Sentiment Survey ³Unilever 2019 [press release](#)

From our partner

Delivering on environmental, social and governance (ESG) goals is no longer about preserving our reputation. It's now fundamental for our survival.

As a UK bank and wealth manager, we and our clients share many of the same values as Walpole and its members, particularly when it comes to ESG. Brands are increasingly judged on the way they interact with the society in which they operate, and customers want to see what values are at their heart and how they're demonstrated. Luxury goods have gone beyond product – of course the quality of a product is important, but the ethos behind a business can be what ultimately drives a decision.

In April 2020, we commissioned a survey that looked at just this, finding that sustainable investing is now an important feature for 51% of retail investors. As you'll read in this report, the same trend continues across luxury goods and services too. 63% of consumers today consider a brand's sustainable credentials before purchasing. Additionally, 79% consider how environmental the packaging is. Brands without ESG at their core, we believe, will soon find themselves struggling to survive.

To date, the financial services industry has been far from perfect. The 35 largest global banks poured an astonishing \$2.7 trillion into fossil fuel financing between 2016 and 2019. Decades of positioning profit before the planet have wreaked havoc upon our communities and natural environment. We have a lot of ground to make up.

Like many of the luxury brands which are included in this report, at Investec we're always looking at what we can do to improve and how we can play our part working with the key players and partners. Supporting this report is one of many initiatives we hope will inspire and empower change.

As an experienced bank and wealth manager we are seeing an increasing demand for innovative green financing solutions, whereby companies who deliver on their ESG goals can enjoy lower interest rates. We want to do our bit, to help the most progressive luxury companies to scale-up and make the world a better place.

Working together, we can create long-term value for all stakeholders. We can contribute meaningfully to our people, our clients, and our communities – living in society, not off it.

Barbara-Ann King, Chief Commercial Officer
Investec Wealth and Investment





MOLTON BROWN GLASS & POUCH REFILLABLE SOLUTION



STEPHEN EINHORN BROCHURE WITHOUT COATING

Lead the transition towards a circular economy



BURBERRY UPCYCLED PACKAGING BY JAMES CROPPER

WALPOLE ASPIRATIONS

100% OF PLASTIC PACKAGING TO BE REUSABLE OR 'WIDELY RECYCLABLE' AND INCLUDE AT LEAST 30% POST-CONSUMER RECYCLED CONTENT

DEMONSTRATE COMMITMENT TOWARDS EXTENDING PRODUCT LIFE THROUGH CIRCULARITY INITIATIVES

ZERO WASTAGE TO LANDFILL AND INCINERATION ACROSS OWN OPERATIONS



As the global population increases, intensifying pressure on our climate and scarce natural resources, it's more important than ever that businesses transition from a linear 'take-make-waste' model to a circular, regenerative economy. In this new reality, products are designed from the outset with reuse or recycling in mind, with waste materials becoming 'nutrients' for new products and packaging or returned safely to the environment.

INSIDE THE PLASTIC PACKAGING CHALLENGE

Packaging remains a prominent consideration for all luxury sectors, and a key concern for consumers, with 79% stating they consider it to be an important issue, according to McKinsey. Considerable challenges exist in improving the recyclability of inbound packaging from a diversity of suppliers. Meanwhile, sustainable, recycled and recyclable solutions for outbound packaging must still offer adequate protection for products and respond to consumers' desire for luxury and exclusivity.

SUSTAINABLE PACKAGING INNOVATION

A plethora of innovative projects is taking place across sectors to drive change. Retailers and manufacturers alike are re-imagining their packaging, adopting a systematic and strategic approach to introducing viable, long-term changes, and collaborating with strategic suppliers to replace plastic, where possible. dunhill is finding life cycle analysis a particularly useful tool to understand the optimum combination of packaging options from both an environmental and human health perspective. The company's shoe boxes and shopping bags are set to be plastic-free, 40% post-consumer waste content and 100% recyclable from 2021.

With retailers on the frontline of customers' packaging enquiries, outbound packaging is a key concern. Harrods, for example, has a goal to reach 60-100% recycled content across all out-bound packaging, and continue to introduce packaging that is 100% recyclable. In addition to improving existing packaging, it is designing new packaging sustainably from the outset. For example, its new H Beauty concept stores offer fully recyclable luxury paper bags with an innovative woven paper 'rope' handle.

Notably, our retail working group is exploring pathways to reduce the volume of inbound packaging waste, particularly plastic wraps and hangers, collaborating to explore the creation of a shared standard for recyclable hangers, for example.

Meanwhile, House of Hackney has opted for biodegradable sugarcane-based plastic for its fabric rolls, a sustainable, water-proof alternative to paper-based packaging. Grays is also exploring natural alternatives to plastic, including compostable options and tree paper alternatives, such as wheat, hemp and paper embedded with poppy seeds, a creative move offering the customer an opportunity to grow poppies.

Elsewhere, luxury paper manufacturing company James Cropper is seeking to create a positive impact by looking beyond its own recycled and renewable fibre initiatives to recycle coffee cups. These are notoriously hard to recycle due to the need to separate the paper from the inner plastic leak-proof coating, yet the company has developed its own on-site recycled plant to tackle this waste stream, and in doing so, achieved a cost-effective source of recycled fibre for its own products. The resulting packaging material has been much in demand for luxury brand and retail clients.

ACHIEVING A BALANCE BETWEEN LUXURY AND SUSTAINABILITY

JING Tea has used plastic-free, biodegradable tea bags from the outset, yet the outer foil packaging still contains a layer of non-recyclable plastic, and removing it would have a direct knock-on effect on freshness and product quality. Despite intensive testing of alternatives, including NatureFlex, and exploring unpackaged options, there is simply not a viable alternative available at the moment. Similarly, fashion companies face challenges in replacing single-use plastic bags to protect clothing in transit with an equally moth-resistant alternative.

“When it comes to retaining vital freshness in food & drink products, a blanket approach to eliminating plastic is not always the best approach. The full lifecycle of any alternative material needs to be carefully understood – as does the potential waste if the alternative material does not adequately maintain freshness and quality.” JING TEA

Elsewhere, The House of Garrard is navigating the packaging challenge through pioneered materials that are sustainable, long-lasting and of the highest quality. Garrard’s client packaging is made entirely from FSC certified paper. The team of industry-leading designers continue to find new and innovative ways to optimise client packaging, while retaining exceptional presentation.

“A Garrard piece of jewellery lasts forever and thus it was important that the packaging adhere to that same philosophy.” GARRARD

Even for brands who have built sustainability into their organisations from the start, specifying sustainable packaging options from the outset, can still find it challenging to find the right balance. As the prestige of Stephen Einhorn’s brand identity grew, the business embarked on a journey of discovery to replace its modest embossed cardboard with a more luxurious yet environmentally-conscious alternative. Having opted for cellulose-coated packaging

produced in the UK, it must now balance this most costly option with maintaining profitability. The jeweller is also using non coated materials for its point of sale materials and brochures, in a move towards greater packaging responsibility, though notes that fingerprints are visible on this material if not carefully handled when included in their packaging. ‘It’s a trade off with sustainability in mind but we think it’s an important one, and our customers think so too.’

Reusable cases are an option for larger items such as bed deliveries, though Savoir Beds notes that it would be important to understand the number of times the packaging could viably be reused while preserving its high quality presentation.

“Where we are shipping luxury goods at a price point to reflect this, we need to make sure that they arrive with the customer in a great condition.” HOUSE OF HACKNEY

FROM SINGLE-USE PLASTIC TO REFILLABLES

Refills are a key focus in the beauty and hospitality industries, in the move away from single-use plastic packaging. Businesses supplying hotels have delivered refillable formats to replace disposable miniatures, for example. In addition, within the fragrance industry, Elegantes London has introduced a perfume bottle with a pump that can be removed to allow refills.



GARRARD PACKAGING

CASE STUDY

Molton Brown: Blending luxury and sustainability on the journey to circular packaging

Conserving natural resources and pioneering conscious solutions sits at the heart of Molton Brown's brand ethos, and when it comes to optimising packaging and reducing waste, the company knows it has a real opportunity to make a positive impact. With a keen focus on eliminating single-use plastic and offering refillable solutions across its core categories from 2023, Molton Brown is exploring multiple routes including luxury refills and closed loop recycling schemes. In particular, its elegant new 200ml handwash glass bottle and refill pouches deliver an 80% reduction in plastic footprint, compared to using two 300ml single-use PET bottles.

"Consumers have an appetite to change their lifestyle, but today they don't have the options to do so in our category," says Beatrice Descorps, Marketing Vice-President at Molton Brown. "Our industry has a responsibility to shift away from disposable beauty towards a circular economy, and we're committed to playing our part by pioneering the luxury refillable solutions of tomorrow."

So how did Molton Brown innovate to achieve its new refillable handwash glass bottle?

"As we reinvent our packaging, it's essential that we continue to deliver luxury experiences," Descorps explains. "This means crafting irresistible packaging solutions that our customers will want to invest in and treasure over time."

Molton Brown's refillable glass handwash bottle exemplifies this ideal, combining form and function. Featuring thick-cut, seamless glass and a weighted base for a luxury look and feel, it retains the iconic shape and brand cues of the original bottle, delivering an enhanced version of its rPET predecessor. As the first luxury refill option offered by the Loop zero-waste shopping platform, it was also vital to fine-tune the design for longevity. Loop enables consumers to order a range of food, beauty and household products online, and return their packaging for recycling. Molton Brown collaborated closely with the platform's technical teams to ensure the bottle was sufficiently durable to be cleaned for reuse multiple times with the Loop system.

Available in Molton Brown stores and online since September 2020, each refill pouch will also enable consumers to refill their Molton Brown bottle twice. Designed to deliver convenience and value, the simple yet elegant pouch provides clear refill instructions, while helping to raise awareness of the plastic reduction benefit.

While the current pouches are not yet recyclable, the company continues to investigate and is determined to find a high quality, recyclable solution. Descorps emphasises the need to consider a product's entire lifecycle and opt for the choices that deliver a greater environmental benefit overall.

Through its partnership with Loop, which launched in the UK in July 2020 to an initial



5,000 households, Molton Brown has enabled customers to order three of its popular Fine Liquid Hand Washes in the new 200ml glass bottles: Orange & Bergamot, Delicious Rhubarb & Rose and Coastal Cypress & Sea Fennel. With one product line selling out within days, Molton Brown is confident that its refillable offering will continue to gain momentum, as the platform scales up.

RETURN. RECYCLE. REWARD

And the innovation doesn't stop there. To make sustainability easier and more desirable for consumers, Molton Brown plans to launch its own national scheme to incentivise customers to return their used packaging for recycling. Trialled in five stores in 2020, the 'Return. Recycle. Reward' scheme enables customers to return an empty 300ml bottle or equivalent, along with the accompanying caps and pumps, and receive a 10% discount on their purchase.

A POSITIVE CONSUMER RESPONSE

The company has observed tangible enthusiasm

among both its consumers and store employees for the refillable solution and in-store recycling scheme.

"The consumer response has exceeded our expectations," says Descorps. "We've been really amazed by the positive reaction... Our audiences, older fans and new alike, are incredibly receptive to our sustainable packaging efforts."

The most recent step on Molton Brown's sustainable packaging journey is a move to 50% rPET 300ml bottles for all bath and body and hand categories from 2021, a shift that goes beyond compliance and reduces the brand's use of virgin plastic by the equivalent of approximately 4.8 million Molton Brown 300ml bottles per year.

"Customers understand that beauty packaging is not going to change overnight," concludes Descorps. "They are ready to embark on the journey with us, while we continue investigating new solutions to help them do good."

CIRCULARITY: EXTENDING PRODUCT LIFE

Beyond packaging innovation, the luxury industry is exploring multiple facets of circularity, from using healthier, more sustainable materials to upcycling much-loved furniture.

GOOD MATERIALS

A Walpole Brand of Tomorrow, Dai sources commercially viable, renewable, chemically safer, eco-certified materials from environmentally responsible mills for its high-performing, long-lasting tailored suits and separates. A growing section of Dai's styles are biodegradable and compostable. This includes fibres derived from beech and eucalyptus trees, largely sourced from Lenzing in Austria, which uses a closed loop process to manufacture its yarns. The company is also pursuing more sustainable routes for synthetic materials, with a goal to achieve 50% regenerated fibres (such as recycled polyester) in 2021.

“The biggest challenge for us right now is that so much of the regenerated and recycled fibres look too ‘plastic-y’ - it doesn’t look elegant enough for our high performing woman... But as the textile technology improves, we’re going to have more and more opportunities [to source regenerated fibres and further recycle or prolong the lifecycle of our existing garments].” **DAI**

Elsewhere, Savoir Beds is using only using plant and animal fibres for its beds, which both promote natural breathability and durability, while degrading more effectively in the environment. Luxury watch and leather accessories business, Rapport London, is exploring the use of leather made from cactus plants, which could provide a lower carbon alternative to animal-derived leather. For architectural interior design practice Oliver Burns, designing with longevity in mind must involve identifying the most robust, and ideally local, materials that still offer a sense of luxury.

“Quality and durability are key and whilst there are sustainable alternatives, some are not appropriate for certain environments and can degrade quicker - therefore materials have to be specified with this delicate balance in mind.” **OLIVER BURNS**

QUALITY, DURABILITY AND REPAIR

The timeless nature of high quality, carefully produced products is a real strength for our members. Across sectors, Walpole members are tapping into their traditional ability to extend the lifetime of their products, often through repair and maintenance services, expanding (or unlocking) an additional revenue streams, strengthening loyalty and adding further value for the customer. Harrods, for example, has been providing shoe restoration and bespoke alterations (including complete restoration and remodelling of clothing) since Victorian times,



OLIVER BURNS INTERIORS USING SUSTAINABLE MATERIALS

and is focussing on engaging customers post-sale to sustain and lengthen the life-cycle of luxury. Meanwhile, London-based start-up The Restory is providing an on-demand aftercare service for luxury fashion, carefully restoring much-loved shoes, bags and leather goods and recently expanded their reach through the partnership Farfetch.

Experts from Garrard, Boodles and Jessica McCormack offer clients the unique opportunity to re-imagine and restore inherited pieces of jewellery. This could be an antique family jewel, incorporated into a contemporary design, and worn with a continued sentiment. Textile artistry studio Aiveen Daly is also exploring the concept of upcycling to help conserve natural resources and extend the life of clients' products, applying its embroidery and textile artistry, bead work and fabric manipulation to give well-loved pieces a new lease of life. House of Hackney, too, offers the opportunity to renovate existing furniture and luxury interior accessories.

“We have a focus on future heirlooms, things that are made to last. And also reupholstering, reworking existing pieces. Our products are made to order, and any fabric we don’t use goes to charities or suitable projects that use them, so nothing at all is wasted.” **HOUSE OF HACKNEY**

The Mulberry Exchange: Closing the loop on luxury bags



PRE-LOVED BAGS AT THE MULBERRY EXCHANGE

Artisans at Mulberry's bustling Somerset Repair Centre have been restoring customers' much-loved bags daily for decades, drawing on 35 years of leather archives and a treasure trove of hardware components including zips, clips and studs to give these iconic bags a new lease of life. With the launch of the Mulberry Exchange at London Fashion Week in February 2020, Mulberry has added a new service to its existing lifetime restoration offering. This dedicated circular economy programme allows customers to return their Mulberry bag in exchange for a credit note towards a new purchase. These pre-loved bags are then refurbished and restored, before being offered for resale.

Originally available in London and New York, the scheme has expanded across the UK, and from April 2021, Mulberry customers globally will be offered the opportunity to take advantage of the service and buy restored pieces through Mulberry.com and the company's new partnership with Vestiaire Collective.

"Increasingly, we're observing a real trend towards a thriving secondary market for luxury bags," says Charlotte O'Sullivan, Global Marketing and Digital Director, Mulberry. "The Mulberry Exchange

responds to consumers' desire for high quality vintage luxury and a growing interest in restoration and repair. We're enabling new audiences to access our bags, while building on our longstanding commitment to crafting bags that are 'Made to Last' a lifetime."

All bags received through the programme are carefully authenticated and appraised, before Mulberry's skilled artisans begin the creative revival process. Drawing on a deep knowledge of Mulberry craftsmanship – often obtained through years of production experience that may have begun as an apprenticeship – they fashion flawless seams and joins, before polishing for a high quality finish. The Repair Centre currently processes up to 10,000 items each year, and this is expected to increase as more customers are able to access vintage products through The Mulberry Exchange.

"Expanding our focus on pre-loved bags is more than business diversification," concludes O'Sullivan. "Our restoration and repair journey is ultimately part of our strategy for Mulberry to thrive within a circular economy, conserving natural resources and ensuring our products can find a second, third or even fourth home, or handed down from generation to generation."

RECYCLING AND UPCYCLING

"Garrard is proud to be a business that utilise these relationships, ensuring a greener footprint. Longevity and quality are at the heart of everything Garrard create. While Garrard jewellery will be passed on to generation after generation, customers also acknowledge what it means to pass on a greener world too."

GARRARD

Today, Garrard are recycling 92% of their waste. This is achieved through their work alongside environmental management specialist, First Mile, who help to revolutionise business sustainability. Garrard was awarded First Mile's highest level certificate for the volume of recycled materials and various recycling streams employed. Meanwhile, Boodles has been researching the idea of using recycled gold in their jewellery designs, including the possibility of sourcing gold from the mining of electronic equipment in urban mines. At Stephen Einhorn, the brand has only used recycled metal from the start, particularly recycled gold, platinum, palladium and titanium.

"We're a small company, we can make changes quite fast because we're small. Financially we will never be wealthy because we really believe in doing those things." STEPHEN EINHORN



The 'sharing economy' is also a potential avenue for luxury jewellers, with Boodles in conversation with circular business Covett to explore how multiple people can own and share a piece of luxury jewellery.

“The perception of recycled gold has certainly changed over the last decade – it is now in the mainstream, but care is still required to identify the original source of the recycled gold.” BOODLES

Fashion, particularly the fast fashion end of the market, is often criticised for the volume of textile waste it creates. Some 350,000 tonnes of textiles are sent to landfill annually in the UK alone.⁴ While product longevity is a key strength of the luxury industry, our apparel members are nevertheless exploring circular models for clothing recapture and recycling. For example, in addition to its longstanding garment repair service for knitwear, Johnstons of Elgin is exploring opportunities to incorporate manufacturing and post-consumer waste within its production. Johnstons maximises its use of fabrics, with even the lowest value fibres being used as fillings and has just launched a product called Every Yarn, which re-utilises yarn left over from production. Aiveen Daly is seeking an opportunity or a partner to re-purpose leather offcuts, which can be challenging to incorporate in a way that appeals to a high-end audience.

REDUCING OPERATIONAL WASTE: COLLABORATING FOR CHANGE

Identifying (often unlikely) partners is central to forging successful pathways to the circular economy and achieving zero waste. The Lakes Distillery is fortunate to be able to gift discarded barley from whisky making to local farmers for cattle feed, while its fermented pot ales are re-used to enrich agricultural land across The Lake District. However, depending on the location and availability of like-minded businesses, some sectors can experience challenges.

⁴WRAP



CASE STUDY

Harrods: Building rapid momentum on managing food waste

With a food hall selling everything from exotic fruit, handcrafted patisserie and sparkling seafood to premium cuts of meat, busy production kitchens and restaurants, Harrods is a master purveyor of high-quality food and fine dining. Added to this a staff canteen serving a large number of store employees, the volume of food activity on a typical day at the historic luxury store is significant.

As part of its zero waste to landfill policy, Harrods identified reducing food waste as a priority, and has taken decisive steps to close the loop on food waste, rapidly building momentum on its existing efforts.

“We aim to encourage responsible food consumption and management while striving to reduce waste and increase recycling,” explains Ankita Patel, Corporate Responsibility Manager at Harrods. “Adopting a circular approach to tackling waste food is part of our journey to becoming a more sustainable business, and ensuring that we operate at our best.”

Harrods had already developed a closed loop recycling scheme for used cooking oil, partnering with a waste management specialist to convert the oil into energy and biofuel. In 2018, it extended this circular approach to food waste, separating all major food waste streams including packaged and non-packaged food from the Foodhall, waste from the production kitchens, waste from the restaurants and leftovers from meal servings and other surplus food. Harrods identified opportunities to prevent waste and close the loop, wherever possible. Collaboration was central to this effort, with the retailer engaging employees across the business, running trials in its production kitchens, and identifying local food redistribution partners.

Harrods continued to stand firm on food waste despite the Covid-19 pandemic, which has forced three store closures to date. Importantly, with a firm focus on redistributing edible surplus food

as a first priority, the company partnered with local food charities including the Felix Project to ensure that any surplus reaches those who need it most. Harrods also established a relationship and partnered with local food bank the Albrighton Community Centre, inviting the centre's volunteers to collect food from the store on a daily basis and distribute it to households in the community which are in need of help. During the 2020 and 2021 lockdowns, the luxury retailer has supported multiple food banks, charities and hospitals with food, clothing and care package donations.

Across the business, food is utilised in its productions kitchens before it becomes waste. Harrods is uniquely positioned in that regard as a department store that has fully operating kitchens on its premises that enable the chefs to use up products that would otherwise become waste. Any remaining food that cannot be redistributed is sent to waste management partner Biogen through partner Veolia for anaerobic digestion, the most environmentally sustainable solution. The waste food is converted into methane for electricity production, with any leftover organic material used as a natural fertiliser for crops in Hertfordshire and urban farms in London.

From the outset of its consolidated food waste reduction programme, Harrods achieved zero food waste contamination in just three months. And it's a change that would not have been possible without the wholehearted participation of its employees. In 2020, the company recycled 178.60 tonnes of food waste.

“Our teams have been fantastic at adapting to this change, and we see visible evidence of behaviour change every day,” says Patel. “Employees are consciously separating food from its wrapping so it can be put into the correct recycling stream, and what's more, they're passionate about championing our circular approach to food.”

In the Outer Hebrides, for example, there are few opportunities for circular textile partnerships. Harris Tweed Hebrides is rising to the challenge by working with the Knowledge Transfer Partnership (KTP) and Aberdeen's Robert Gordon University to explore how best to optimise its waste streams and give its relatively low volumes of waste materials a new lease of life.

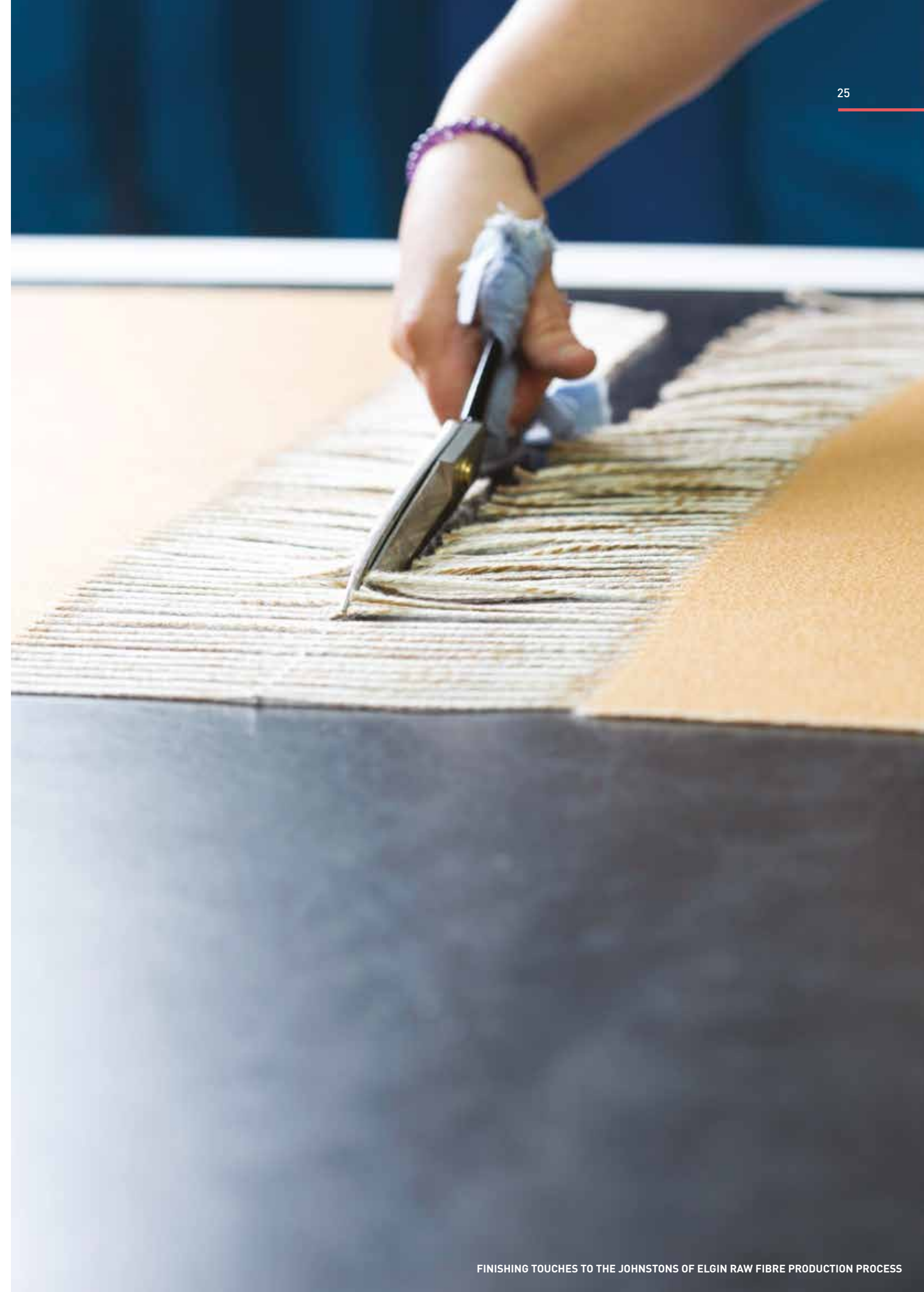
Beauty business Noble Isle partnered in 2019 with a charity called CleanConscience that recycles all sorts of hotel waste – from unfinished miniatures to hard soaps – and employs people with learning disabilities to help redistribute products like shampoo and shower gel to charities. CleanConscience even organises for hard soap to be ground down and re-processed into soap powder and soap noodles, which form the basis of a business for women entrepreneurs in Sierra Leone, helping them to gain greater economic independence.

FUTURE INSIGHTS FROM STYLUS

“We see great opportunities for luxury brands to demonstrate leadership here, integrating innovative materials and manufacturing processes with the new services necessary for a truly circular economy.”

DR ANTONIA WARD, GLOBAL DIRECTOR OF ADVISORY, STYLUS

- Brands will move beyond biodegradable and compostable materials to embrace bio-contributing materials for products and packaging - materials capable of adding nutrients back to the soil as they biodegrade.
- We'll see improved communication of packaging recycling and biodegradability for consumers.
- There will be a greater focus on recapturing products for recycling, repair or upcycling into new products, deepening customer relationships.
- Building on its made-to-order expertise, the luxury sector will take advantage of 3D printed products, 'grown-to-order' natural cosmetics and skincare, and AI systems to deliver personalised products to consumers.
- More luxury brands will explore ways they can enable younger consumers' desire to repair or upcycle products, including through online tutorials with brand designers and experts.
- Luxury fashion brands, in particular, will look beyond rental as a circular solution, and start to offer brand-sanctioned resale.



VIEWS ACROSS LEWIS & HARRIS, THE REMOTE ISLAND COMMUNITY WHERE HARRIS TWEED HEBRIDES IS BASED



JAMES CROPPER LAND SPREADING PROCESS

JAMES CROPPER WATER MANAGEMENT



Safeguard environment and natural resources

WALPOLE ASPIRATIONS

50% ABSOLUTE REDUCTION
IN SCOPE 1, 2 & 3 EMISSIONS

100% ENERGY FROM
RENEWABLE SOURCES

30% WATER
USAGE REDUCTION
ACROSS OWN OPERATIONS

ZERO DISCHARGE OF
HAZARDOUS CHEMICALS



Climate change, biodiversity loss, resource scarcity and pollution are major priorities for the luxury sector and its future success. However, few, if any sectors, are on track to meet the 1.5°C limit in global warming defined by the 2015 Paris Agreement. As part of the UN-led push for climate action, clean energy and safe water, the sector is rising to the challenge of decoupling its growth from its carbon and environmental footprints. This means re-thinking the way products are sourced, made and consumed, which in time, will generate cost savings and build resilience.

TOWARDS LOW CARBON MANUFACTURING AND RENEWABLE ENERGY

Climate action requires CEO-led commitment and robust strategies, together with innovation and investment across the value chain. In particular, luxury businesses are taking action to improve their operational carbon footprint and reduce their direct (Scope 1 and 2) emissions. For businesses with extended global supply networks, there is also a steep challenge in engaging with suppliers to reduce their indirect (Scope 3) carbon emissions, the majority of which arise from their supply chains.

With growing pressure from investors for transparent disclosure of climate risks, Walpole members are increasingly formalising their carbon reporting. Some luxury businesses are considering how best to approach 2020 reporting to give an objective view of the year. For example, retailers could disclose the number of days or months in operation, given the closure of stores due to Covid-19 pandemic restrictions.

“We cannot overlook the fact that a private jet emits up to 20 times more CO2 per passenger mile than a commercial airliner. At Victor, we are the world’s first carbon negative aviation company. We are on a mission to lead the industry by example, bringing to the forefront carbon reduction through smart tech and mitigation through UN approved carbon sequestration programs and sustainable aviation fuel.” **VICTOR**

STRIVING FOR CARBON NEUTRAL

Attaining net carbon neutral is a common goal for many, with Molton Brown among those committed to pursuing carbon neutral journeys, primarily by improving energy performance and opting for renewables. In aviation and travel, carbon offsetting remains a key strategy to reach carbon neutrality, with companies making investments in measuring their carbon footprints precisely and supporting robust, credible, UN-approved offsetting projects. Customers are also offered and encouraged to use the option to offset their journeys.

Businesses including dunhill are increasingly exploring science-based targets to guide their carbon reduction efforts, in line with the Science Based Targets Initiative. dunhill has utilised this framework to map and analyse its raw material supply chain and corresponding carbon footprint. Companies making to order and leveraging traditional craftsmanship may also inherently benefit from lower energy use.

A RISE IN RENEWABLES

Companies are taking multiple routes towards 100% renewable energy, with new brands taking the opportunity to factor in clean energy from the outset. Strategies include switching to trusted renewable energy suppliers and investigating on-site renewable energy generation, with options such as solar, hydro and even hydrogen-based energy proving popular. Some members are also working with strategic suppliers whose factories are powered by clean energy. Barriers to progressing on renewables include location, feasibility and cost, particularly for those in remote regions.

CLEAN BUILDINGS

Building sustainability is an important topic for hotels and retailers alike, particularly in terms of retro-fitting historic buildings. Despite this challenge, hoteliers including Belmond are steadfastly factoring in sustainability considerations when it comes to refurbishments, often in conjunction with the requirements of major sustainable building certification frameworks such as LEED and BREEAM. Various members noted that the closure of stores during the Covid-19 pandemic has provided a further opportunity to reflect on optimising energy efficiency, and in particular optimising the use of in-store lights (while recognising the commercial need to keep window displays illuminated). Our retail working group is collaborating to explore a shared standard or approach to achieving sustainable store design and fit-outs, with Cadogan in the process of developing a set of standards for sustainable fit-outs and detailed worked in progress at David Collins Studio on a sustainable materials list.

“Given that so much of our work is related to surface materials and materials associated with luxury interiors, we are creating a sustainable materials index which we hope to publish this summer. This will take the form of a RAG document, flagging the sustainability features of key materials that the Studio uses to guide our designers on making more mindful decisions, without compromising on aesthetics or quality.” **DAVID COLLINS STUDIO**



CADOGAN'S PEDESTRIANISED PAVILION ROAD, CHELSEA

CONSERVING WATER QUALITY AND AVAILABILITY

Businesses that actively use water in their production processes are exploring closed loop water recycling and improved wastewater treatment. This is particularly important for those located near protected areas or sites of special scientific interest, where environmental regulations may be more stringent. Some companies are also seeking to go beyond compliance on both water management and chemical use.

Collaboration and working in partnership with others across industries is vital to driving change we can all benefit from. At Cadogan, we are looking to work closely with retailers and the wider Walpole network to co-design sustainable fit-out standards which not only honour and celebrate our heritage buildings, but achieve best practice energy efficiency and material circularity. **CADOGAN**

WATER RECYCLING

James Cropper is able to safely return 91% of the water it abstracts from the local river back into the water system, with just 7% retained in the product. Any fibrous waste that cannot be recycled is spread on local farmland, with the approval of the Environment Agency. The Lakes Distillery built its own onsite sewage plant while renovating its distillery, to clean water before it is returned to the local river. Opting for water-efficient suppliers can help here too. Dai's largest supplier in Italy recycles some 30 million litres of water annually.

RESPONSIBLE CHEMICAL MANAGEMENT

Fashion brands and their key fabric suppliers are typically signed up to the Zero Discharge of Hazardous Chemicals apparel sector initiative, which aims to eliminate harmful chemicals from textile products and manufacturing. To help ensure the sustainability of its clothing, for example, Dai is primarily sourcing from suppliers using the OEKO-TEX® chemical safety certification for fabrics. Some 98% of its fabrics are OEKO-TEX® certified. Similarly, House of Hackney's wallpaper is created free of PVC and harmful chemicals, including in the washing and dyeing phases.

CASE STUDY

Inside Burberry's environmental protection strategy

With a longstanding commitment to placing sustainability at the heart of its future growth, Burberry has a robust strategy to lower its environmental footprint, implementing company-wide programmes and collaborating across the wider sector to help transform the way apparel is designed, made and consumed.

By 2022, it aims to become carbon neutral within its own operations and aims to achieve a net zero carbon footprint by 2040. The company is also committed to driving positive change through 100% of its product portfolio by advancing sustainable materials and practices. In 2020, Burberry became the first of its luxury peers to issue a sustainability bond, enlisting the support of investors in delivering its sustainability goals.

A NET-ZERO FUTURE

Burberry's net-zero carbon journey is guided by science-based targets, both within its own operations and across its supply chain. To achieve a net zero carbon footprint by 2040, it will take action to reduce absolute emissions, including by improving energy efficiency and switching to renewable energy sources, before offsetting or insetting any remaining emissions. As a member of RE100, Burberry has already made strides on using more renewable electricity, and is 90% of the way towards achieving an operation entirely powered by renewables by 2022. Overall, it has achieved an 82% reduction in market-based emissions since 2016/17 and is recognised by CDP's 2020 'A list' for its action on climate change.

BALANCING EMISSIONS

Through the Burberry Regeneration Fund, the brand supports a portfolio of carbon offsetting and insetting projects within its supply chain to tackle the environmental impact of its operations. The projects will help to promote biodiversity and carbon sequestration, restore ecosystems and support the livelihoods of local producers.

The first insetting initiative has seen Burberry partner with sustainable supply chain sustainability specialist

PUR Project to help its Australian wool farmers to adopt regenerative agricultural practices.

CREATING A POSITIVE IMPACT THROUGH PRODUCTS

Burberry is also focusing on achieving improvements at the raw material sourcing and product manufacturing stages, so that 100% of its products make a positive social or environmental contribution. Called 'positive attributes', these include delivery against carbon emissions standards at production facilities or the use of recycled materials.

Currently, 89% of Burberry products have at least one positive attribute, and 67% have more than one.

Burberry is also engaging its creative community through training on circular design and has hosted a range of product disassembly workshops to help teams better understand how the lives of its products can be extended. As a founding signatory of the Ellen MacArthur Foundation's Make Fashion Circular initiative, Burberry helped shape the vision for circular fashion and is a contributor to the Foundation's Circular Design Guide for Fashion, a valuable resource for the fashion and textiles industry.

COLLABORATING FOR CHANGE

To achieve meaningful impact at scale and help transform the apparel sector, Burberry participates in a number of collaborations, such as helping to drive demand for renewable energy through RE100 and being a founding signatory of the UN Fashion Charter for Climate Action. Burberry is also a board member of the Fashion Pact and the Zero Discharge of Hazardous Chemicals group.

WHAT'S NEXT?

Building on its achievements to date, Burberry is now planning towards 2040 by building an in-depth roadmap that encompasses the evolving challenges and climate risks to its business, communities and the planet.

BURBERRY'S OLYMPIA BAG
WITH UPCYCLED PACKAGING,
MADE FROM MIN. 40%
RECYCLED COFFEE CUPS

FUTURE INSIGHTS FROM STYLUS

"Pragmatic, regenerative solutions to protect the climate and environment will combine the best elements of mass manufacturing with the use of renewable, natural materials."

DR ANTONIA WARD, GLOBAL DIRECTOR OF ADVISORY, STYLUS

- The synthesised naturals already used in cosmetics, skincare and fragrance will expand to new areas, including more sustainable fabric dyes, 3D-printed natural building materials, and lab-grown diamonds.
- Brands will innovate to offer packaging and products that sequester CO₂, and clearly communicate this advance to consumers.
- Luxury makers will seek to offer consumers behind-the-scenes design and production insights, recasting factories as innovation hubs that showcase low-impact materials, fossil fuel- and emission-free machinery, and computing systems that continuously track and display efficient resource use.
- Brands will step up their work on biodiversity protection, with a key focus on agricultural supply chains.
- 'Waterless' products, materials and processes will gain momentum, particularly in luxury beauty and fashion.



HARRIS TWEED HEBRIDES FABRIC HANDWOVEN AT THE WEAVER'S HOME



GORDON & MACPHAIL BENROMACH ORGANIC CASKS



DE LE CUONA PURE COLLECTION

WALPOLE ASPIRATIONS

100% SOURCING FROM
RESPONSIBLE SUPPLIERS

100% TRACEABILITY
ON FULL SUPPLY CHAIN



Guiding Suppliers & Stakeholders towards sustainable practices

Building an in-depth understanding of suppliers' practices and tracing materials back to their source play a fundamental role in building supply chain resilience, protecting workers' rights and conserving the environment. Collaboration with suppliers and partners sits at the heart of these efforts, as our members strive to raise standards and resolve many of the systemic issues facing luxury supply chains.

“Our suppliers already expect that we will be asking them challenging questions to ensure high quality across all products, so using the same frameworks to add on sustainability elements shouldn't really be difficult for them, as the expectation is already there.” HARRODS

RESPONSIBLE SOURCING

Overall, luxury businesses are firstly taking action by developing responsible sourcing policies and programmes, and maintaining robust supplier Codes of Conduct. Our members are seeking an ever more precise view of suppliers' practices, both at the on-boarding stage and through regular auditing of strategic suppliers, continuously identifying opportunities to improve supplier performance. In 2020, auditing efforts were slowed considerably by the Covid-19 pandemic, which delayed or prevented site visits.

Dedicated scoring systems for sustainability performance can be particularly valuable in ranking suppliers' overall performance. Harrods recommends that sustainability and responsible sourcing requirements should be integrated alongside quality and performance criteria, presenting the information as a holistic assessment. Importantly, to help ensure commercial transactions take account of sustainability considerations, the retailer has introduced a supplier sustainability scorecard for buyers and technical teams to trial across the food division to use when making purchasing decisions, which will eventually be rolled out to other areas of the business.



“The traceability is undeniable...the garden name features on every pack of our tea, so you could actually look up the garden if you wanted.”

JING TEA

JING ORGANIC DARJEELING FIRST FLUSH SUPREME

“We’re increasingly seeking and engaging with like-minded partners, suppliers, contractors and crafts people in order to deliver thoughtful luxury.” **OLIVER BURNS**

TRACEABILITY

The journey towards full traceability is fraught with challenges, not least gaining visibility of suppliers’ practices beyond the first and second tier. Retailers face the additional issue of looking beyond their own-brand products to establish the sustainability credentials of branded suppliers and in-store concessions. Despite this, luxury businesses may be able to accelerate their traceability journey by leveraging longstanding supplier relationships, and a significant level of control over their supply chains.

At a product level, fabrics, for example, can be challenging to trace back through extended or fragmented global supply chains, particularly where they involve informal actors and smallholder farmers. Sustainability standards and working groups for materials such as cotton, feathers, down and leather can help to accelerate and scale efforts across industries. Taking a leadership role is instrumental here. For example, Johnstons of Elgin is making a key contribution to the traceability pilot programme for cashmere, for example, while Mulberry is making strides in the Sustainable Leather Foundation. Responsible sourcing experts such as Sedex also offers support in mapping product journeys and associated labour rights and environmental risks.

Certification schemes provides another key strategy, although as de Le Cuona highlighted, these schemes are often highly labour intensive, and require significant dedication, time and resources to achieve, for producers and manufactures alike. Despite this challenge, the company has launched a collection of 100% GOTS-certified organic linen textiles during the pandemic.

“You’re taking into account not only the environmental and social impacts of the product and its manufacture, but also 100% traceability... which is very challenging, as fabrics go through four or five stages before they arrive at our warehouse, even though we’re producing in Europe.” **DE LE CUONA**

Tracing materials back to a single point of origin is also proving effective in helping to ensure visibility over suppliers’ practices. JING Tea sources 100% single origin and 95% single garden teas, while Boodles has made an important shift to sourcing single mine origin (SMO) gold from the Yanfolila Mine in Mali. It has also significantly streamlined and consolidated its diamond suppliers as part of its traceability journey, however, the company highlights that using fewer suppliers could pose a potential risk to fulfilling its customers’ varied requirements.

At an industry level, the Kimberley Process and Responsible Jewellery Council (RJC) have been important evolutions in diamond and jewellery traceability. Diamonds, for example, have historically been challenging to trace, often passing through cutting houses and manufacturing facilities outside their country of origin. With the governments of Namibia

CASE STUDY

Johnstons of Elgin work towards responsible sourcing in the cashmere supply chain

The story behind exquisite cashmere jumpers spans continents and cultures. The cashmere supply chain stretches across vast expanses of land, covering an area of Northern China and Mongolia larger than Europe. Goats are raised by tens of thousands of small scale farmers and nomadic herders, many of whom live in poverty, lacking access to the knowledge and resources to improve their practices. A herder typically raises 100 goats, with each goat producing around 200gsm of fibre. However, with over 1.2 million goats required to produce Johnstons' cashmere alone, fibre from many thousands of goats is combined for washing, before even reaching production, creating a serious traceability challenge. In addition, producing the finest cashmere means carefully blending the cashmere from multiple sources to achieve the perfect mix for each product.

Johnstons is addressing this challenge through on-the-ground capacity building and cross-sector collaboration. And as a fully vertically integrated manufacturer from fibre to finished product, it has a significant opportunity to influence change.

"We are fortunate to be able to control our processes to a far higher degree than many other brands," says Johnstons' CEO, Simon Cotton. "We see it as our responsibility to use our position to help lead the way on responsible cashmere."

One of the key challenges of raising cashmere goats is the risk of overgrazing, which in turn depletes the soil, eventually reducing its ability to capture carbon. In addition, global warming in the high altitude areas where cashmere is produced is far higher than the global averages, creating further pressures on grasslands. To help Mongolian herders improve their practices, Johnstons funded the first education programme for the children of Mongolian herder families in sustainable grassland management. Over 500 pupils have already taken part, taught by an experienced teacher trained in the subject, and using text books developed by Johnstons in collaboration with the Sustainable Fibre Alliance (SFA).

"The programme uses traditional Mongolian nomadic culture as its basis," Cotton explains. "This is a great example of a long-term solution to a systemic problem."

In 2020, building on its participation in an initial SFA-led trial to prove traceability from the herder to the dehaire, Johnstons took its responsible cashmere ambition to the next level. Working closely with herders across Mongolia, it helped to ensure that herders of around 25,000 goats supplying its cashmere fibre could achieve SFA certification by adhering to rigorous sustainability and animal welfare standards, from collection to finished product. While this represents a small proportion of Johnstons' overall demand, it proves that traceability for cashmere can be achieved.

To reach scale, Cotton highlights the need to find a consistent approach that can be applied in both China and Mongolia. Johnstons is working closely with the SFA to define a realistic roadmap to reach 100% certified cashmere as rapidly as possible. And with 30 companies now signed up to SFA membership, change is underway throughout the supply chain, helping to advance the sector's journey to responsible cashmere.

"We have made good progress and we're fortunate that cashmere herders and farmers take exceptionally good care of their goats," concludes Cotton. "But we know there is still work to do, and customers require reassurance that we're addressing fundamental climate and environmental issues. I hope to see the whole sector move to standards like the SFA standard, so the grasslands we rely on for cashmere can be preserved for future generations."

Johnstons' focus on responsible cashmere is just one component of its broader sustainability strategy, through which the company is addressing every aspect of its products lifecycle from raw material sourcing to production, distribution, consumer use and circular initiatives to give materials a new lease of life.

CASE STUDY

How JING Tea is leveraging organic farming and traceability to strengthen the future of tea



JING Tea sources single garden teas – teas that offer distinctive character and capture the unique combination of the individual tea bush, terroir, and tea master's craftsmanship.

"We know that every tea garden has a unique story to tell," says Lucy Thornton, Head of Marketing, Innovation & Sustainability, JING Tea. "We believe that tea regions need to be known and loved by consumers, and well looked after by producers to thrive."

To this end, JING promotes the tea garden name and origin on every pack of tea, as well as telling the producer stories through the 'Meet the producers' section on its website. As part of its selection process, the company audits all of its gardens in line with Ethical Tea Partnership standards, helping to protect the environment, improve the lives and livelihoods of smallholder farmers and tea workers, and strengthen the tea sector.

The company's sourcing policy is focused on prioritising teas made with organic farming principles – recognising that this is vital to protect land, wildlife, producers and consumers from agrochemicals. In

parallel, JING works to communicate these benefits to consumers, demonstrating why it is worth choosing teas grown organically.

To continue to help smallholder producers thrive, JING takes a 'principles over paperwork' approach when it comes to organic tea farming. To help ensure smallholders are farming organically, JING develops strong relationships with its producers, and batch tests every tea for pesticide and herbicide residues. In this way, it has created a 'Made without pesticides' assurance and clearly highlights which teas carry this assurance and which are certified organic. The company is on track for 80% of its range to be organically grown (carrying either assurance) by the end of 2021.

"This approach enables us to deliver amazing tea discoveries while empowering smallholder tea farmers and their communities," says Thornton. "As we move forward, we know that collective action is integral to accelerating change and building resilience in our sector. Collaboration is the only way to bring rapid, lasting change, and we are committed to working tirelessly towards a positive future for the tea sector."

and Botswana as major shareholders, De Beers Group has focused on keeping a significant level of production and associated employment opportunities within Southern Africa, which also helps to improve traceability. The company is also helping to build visibility and raise standards beyond its own operations, within the more informal, artisan-led gem stone mining sector through its GemFair™ initiative.

“For over 125 years, sustainability, investment and long term thinking has been core principles of our multi-generational family owned business. We make decisions today that will not come to fruition for many decades, therefore it is important that we make these decisions with sound judgement, respecting relationships with suppliers and customers, communities, colleagues and the environment.” **GORDON & MACPHAIL**

Jeweller Stephen Einhorn has explored the use of cultured diamonds as a far more ‘traceable’ alternative to real diamonds, however, it is not currently pursuing this route, partly due to the importance of real diamond mining to the lives and livelihoods of local communities.

Within the world of fine Single Malt Scotch Whiskies, Gordon & MacPhail has long been exploring traceability and held up the importance of this within their processes. For example, when it came to creating the world’s first 100% Organic Single Malt Scotch Whisky from their Benromach Distillery, the company started by identifying a truly organic, managed forest in the USA from which to source the oak. The timber was harvested and made into virgin oak casks before being filled with 100% organic produced spirit. Of course, the Barley was locally grown and the entire process approved by the Soil Association. The spirit was left to mature closely over many years and once it had reached the high standards expected, it was bottled. However, each cask is then inspected, reconditioned and put to use again.



GORDON & MACPHAIL BENROMACH DISTILLERY MANAGER, IN AN ORGANIC BARLEY FIELD NEAR BENROMACH DISTILLERY



FUTURE INSIGHTS FROM STYLUS

“The growing demand for supply chain traceability will accelerate the uptake of digitally-enabled systems, and encourage brands to share some of this information with consumers.”

DR ANTONIA WARD, GLOBAL DIRECTOR OF ADVISORY, STYLUS

- Blockchain technologies will provide unprecedented transparency when it comes to disclosing product supply chains, and be championed by industries including diamonds, wines and spirits, and fragrance.
- Electronic tags on packaging and products, coupled with smartphone-accessible brand resources, will offer on-demand traceability and provenance information.
- Brands will rise to the challenge of enabling consumers to digitally visualise the social and environmental impacts of their products, and engage with them on sustainable lifestyles.
- Smaller luxury brands will be the first to radically localise supply chains for materials and services, boosting traceability and supporting local economies.
- Corporate responsibility activity will further explore re-wilding and regenerative farming methods that rehabilitate and enhance entire agricultural ecosystems.



DAI: BY WOMEN, FOR WOMEN



MULBERRY CRAFTSMANSHIP



DONALD MACKAY, FINISHING MANAGER AT HARRIS TWEED
HEBRIDES, INSPECTING HARRIS TWEED® FABRIC

Advocate for equal and respectful working conditions

WALPOLE ASPIRATIONS

ALL MEMBERS TO
DEMONSTRATE
COMPLIANCE WITH HUMAN
RIGHTS AND LABOUR LAWS
AND PAY LIVING WAGES

50% SENIOR MANAGEMENT
FROM UNDER-
REPRESENTED GROUPS

ELIMINATE MEDIAN
GENDER PAY GAP



Protecting employees' and workers' human rights and creating a diverse, inclusive workplace are central to a thriving, successful business. Research by McKinsey & Co shows that companies with a good gender balance and ethnic mix are 15% and 35% more likely respectively to outperform their competitors. Importantly, inclusive leadership of a diverse workforce can increase market share, create new opportunities and achieve greater efficiency.

LABOUR RIGHTS AND FAIR PAY

Respecting employees' rights forms part of fundamental human resources policies and is central to companies' core values. Beyond this, businesses are taking action on labour rights in their supply chains through dedicated supplier engagement efforts. Our members are typically paying living wages commensurate with the regions where they operate, with London-based businesses paying the London Living Wage. Others highlighted that taking action on human rights and fair pay is also helping to meet the criteria of key sustainability certifications such as the B Corp certification.

PROMOTING DIVERSITY AND INCLUSION

Walpole's diversity and inclusion goal for under-represented groups in senior management is deliberately broad. We aim for companies to address ethnicity, gender and disability within the context of their particular audiences and operating environments. Today, few of our members can claim an equal split of men and women at senior management level. There are some notable exceptions, however, largely within the jewellery, beauty and fashion industries, with some brands and businesses represented primarily at a senior level by women.

Family-run businesses and start-ups have more opportunity to make strides on diversity rapidly, compared to corporate businesses. For example, as a brand focusing on women's empowerment from the outset, Dai has ensured that 67% of its board is female, 65% of investors. Its focus on diversity also extends to its models, 55% of whom are non-white.

In every luxury sector, efforts are in place to catalyse greater diversity. Our members are establishing diversity inclusion strategies, councils and committees, and in particular, encouraging employees to get involved in the conversation. Training is playing an important role, especially on recognising unconscious bias. Some businesses are also holding regular employee events on diversity, and inviting guest speakers.

Burberry: Creating a diverse & inclusive culture

Diversity, equity and inclusion are essential to fulfilling Burberry's purpose and core to the organisation's values. The company seeks to develop a diverse workforce with unique perspectives and foster a culture that champions colleagues' differences and nurtures a sense of belonging.

To achieve this, Burberry takes a holistic approach to helping its colleagues to thrive, providing them with a range of tools and resources, underpinned by inclusive policies to support their overall wellbeing. Ultimate responsibility for these efforts sits with Burberry's Executive Committee, formally accountable for advancing diversity and inclusion within the organisation.

The business benefits of diversity and inclusion are clear. When colleagues are empowered to speak out and reach their full potential in a supportive, inclusive environment, they are more engaged, committed and effective in driving results.

"Attracting and retaining diverse talent and fostering an inclusive culture enables us to be more creative in everything we do and open opportunities for our colleagues, customers and communities, making a more meaningful contribution to the world around us."

Burberry's global Diversity and Inclusion Strategy is focused on valuing and embracing differences and creating an environment where everyone feels they belong, has a voice and can reach their full potential. The four pillars of the strategy include attracting and retaining diverse top talent, fostering an open and inclusive culture, education and raising awareness and implementing a global approach.

Goals include specific hiring targets to increase representation at all levels in the US and UK, and all hiring and internal succession planning shortlists to consist of at least a 50/50 gender split and at least 25% ethnic diversity. The organisation is also committed to closing the gender pay gap, committing to significantly narrow it in the UK by 2025. Most recently, Burberry adopted the UN Women's Empowerment Principles.

The Executive Committee has incorporated formal diversity and inclusion targets within its objectives and the company is sponsoring programmes and participating in activities and cultural events to embed diversity and inclusion in colleagues' ways of working. Burberry has also expanded its creative arts scholarships and its Foundation's in-school Burberry Inspire programme internationally.

TAKING A BALANCED VIEW

Strengthening recruitment and interviewing approaches to attract diverse candidates and develop and advance underrepresented groups starts with delivering training to influence mindsets and help ensure objectivity.

All senior leaders globally, including retail leaders, have completed inclusive leadership training. Since 2020, all colleagues are required to complete unconscious bias training, helping them recognise the assumptions and beliefs that can influence their decision-making. In addition, all members of the Talent Acquisition team have undertaken specialised training on mitigating unconscious bias in recruitment. In 2021, the company will build on this to roll out allyship training globally to encourage meaningful allyship alongside existing programmes.

LISTENING TO EMPLOYEES

Listening to diverse perspectives both in and outside the company is vital to measuring progress and advancing its diversity and inclusion journey. In particular, Burberry leverages its employee engagement surveys and open forums. In the past six months alone, it has facilitated more than 30 open forums, engaging more than 1,700 colleagues around the world and creating spaces to share experiences and provide feedback. Burberry's Internal D&I Council and external Cultural Advisory Council, formed in 2019, help oversee these efforts, as part of their role in helping optimise and guide the company's approach.

A RECOGNISED COMMITMENT

Burberry maintained a leading position in the FTSE 100 for women in leadership for a third consecutive year, according to the 2020 Hampton-Alexander

Review, and was included in the Bloomberg 2021 Gender-Equality Index for the first time, scoring 10 percentage points more than the company average.

The organisation is also the first luxury company to partner with organisations including the Business

Disability Forum, Investing in Ethnicity and the Stonewall Diversity Champions Programme, and one of the first luxury companies to join The Valuable 500. The organisation also works with charities to further inclusion in the workplace and in communities.

CONNECTING WITH THE NEXT GENERATION

Engaging with local students and young people is vital to nurturing diverse new talent to join luxury businesses. Through our education outreach partnership with Careers & Enterprise in England, Walpole works with The Chelsea Academy introducing students from a variety of social and ethnic backgrounds to the opportunities available in the luxury sector. However, we heard that achieving greater diversity can be challenging depending on region, with those in remote areas of Scotland or Northern England lacking access to diverse groups, compared to those in urban, metropolitan locations.

In Scotland, for example, Gordon & MacPhail supports the Developing Young Workforce programme, giving local school pupils an insight into the diverse roles within its business – from industrial chemists to retail representatives – and offers a mentorship scheme for pupils in their final school years. Similarly, the United in Design programme is seeking to encourage diverse young people into the interior design sector.

“Taking apprentices to see a bed they have carefully worked on from start to finish in Harrods or another showroom can really help to give them a sense of pride.” **SAVOIR BEDS**

Chefs at Harrods share their expertise and knowledge with local communities by volunteering with local food charity partners such as St Cuthbert's. Meanwhile, Carrier's Managing Director is going into local secondary schools as a diversity role model, helping to combat homophobic bullying.



CASE STUDY

How Harris Tweed is helping to create a diverse workforce

The iconic Harris Tweed® fabric has been produced on the remote archipelago of the Outer Hebrides for centuries, reflecting both the beauty and vivid colours of the landscape, and providing employment for the islands' people. Every aspect of production takes place here, from the dyeing and spinning of yarns to the intricate handweaving of distinctive fabrics, and at the heart of every process are highly skilled crafts people following traditional methods. Recruiting and retaining the next generations to learn this historic trade is central to the fabric's survival.

However, by the late 20th century, the future of the sector was in crisis, with more young people than ever leaving the islands to pursue educational and career aspirations on the Scottish mainland. In 2007 when Harris Tweed Hebrides was established, based at a former mill on the west side of Lewis, the newly formed business faced a steep challenge in attracting a greater diversity of people.

“Our founders believed in the value and quality of the product, and were determined to see the sector thrive,” explains Margaret Ann Macleod, Sales Director. “Investing in younger people to enable the intergenerational transfer of skills was a key priority, as part of a small island community, we knew it was essential to maintain an open-minded approach to recruitment.”

The company began an extensive campaign of marketing and outreach to local schools across the island of Lewis & Harris. It also took part in the UK's Investors in Young People scheme.

“We worked hard to overturn misconceptions and re-establish textile manufacturing as an appealing career option, while acknowledging the reality of

remote, island life,” she continues. “Central to this was raising awareness that we offered good wages for skilled work, workplace training, and stable, year-round employment.”

The company is able to offer job security through its efforts to balance out the seasonality of its famous woollen fabric by engaging with multiple sectors – the craft and tourism industries in particular. Both employees at the mill and self-employed home-weavers gain dedicated training from experienced mill workers and homeweavers, following the sector's traditional intergenerational learning approach. This is also supplemented by partnerships with Scottish universities, colleges and schools.

As a result, Harris Tweed Hebrides now employs over 50 mill staff and works with more than 100 home-weavers on the island of Lewis & Harris. People of all ages are enjoying the flexibility of working from home with a regular income. Meanwhile, some 80% of the young people recruited through Investors in Young People have stayed with the business. Three graduates of the scheme are now junior managers. In addition, more women are entering senior management roles, and the Board at Harris Tweed Hebrides is now comprised of equal numbers of men and women.

“We're even seeing island people return with their young families, and new people relocating to the island, all with the knowledge there are good quality work opportunities here in the textile & fashion industry,” she concludes. “We're confident that enriched by a greater diversity of people, our business will continue to grow, and the tradition of Harris Tweed® manufacturing will continue to prosper.”

CASE STUDY

How Cadogan is leveraging its knowledge and partnerships to promote employability in the community

Within inner city areas, our members are taking care to prioritise young people from less fortunate backgrounds. In the Royal Borough of Kensington and Chelsea (RBKC), for example, a diverse borough facing significant social inequalities, property manager Cadogan is seeking to play its part in improving lives and livelihoods in the borough, including by expanding access to skills training and employment opportunities.

“Our long-term commitment as stewards of Chelsea comes with responsibility to ensure we’re making a positive contribution towards a sustainable environment, protecting the area’s unique heritage and supporting a thriving community,” explains Sustainability Manager Kate Neale. “Community members are our most important stakeholders.”

Supporting the community is a central focus of Cadogan and their new sustainability strategy and vision for Chelsea. Its core community targets – improving health and wellbeing, maximising local employment and improving skills among disadvantaged people, and promoting community cohesion – have all been informed by extensive engagement with local people. Some 2,000 local workers and residents responded to its request for input on what matters most within the borough, outlining their hopes and needs for a better future.

To address employability, Cadogan is co-funding a new position, together with the RBKC, focusing specifically on helping local people back into work. In addition, through its principal sponsorship of the Kensington + Chelsea Foundation, it is also supporting a grassroots education and training

project designed to bridge the gap between local residents’ skills and work available in the borough. Digital skills are in particular demand in the wake of the Covid-19 crisis.

“Addressing the local skills shortfall is more important now than ever, with unemployment rising as a result of the pandemic,” says Neale. “We are exploring multiple pathways to maximise our role in empowering more people build the skills and confidence they need to succeed.”

In particular, Cadogan will leverage its knowledge and partnerships as a trusted and historic property manager. For example, it will support employment schemes among its tenants, encourage training in niche artisan construction trades, and participate in property sector-led diversity initiatives. As part of this, it provides work experience placements to young people from underprivileged backgrounds.

Additionally, Cadogan’s £20 million Business Community Fund, launched in response to the pandemic, includes measures to further support local skills and employment, with funds set aside for educational grants in fashion and art. Cadogan has also teamed up with the K+C Foundation in calling for an end to the digital divide, helping to ensure that children in the Borough gain access to remote and digital learning, and donating over £21,000 of laptops from the Business Community Fund.

Importantly, the business plans to measure the impact of all its community impact activities, continuously improving its approach, and replicating successful projects across the borough, as it scales up its community ambition.

BRIDGING THE GENDER PAY GAP

Overcoming the gender pay gap remains an important component of diversity and inclusion strategies. Members are addressing the gap through regular salary audits and reviews, and gender pay gap reporting is delivering a transparent picture of the status quo. While the figures are gradually improving over time, in general there is still progress to be made. In particular, challenges exist where industries employ large numbers of women in lower grade positions (such as retail assistants), which can skew the figures. Similarly, companies may experience slow progress where there is a low rate of staff turnover at a senior level, and therefore few opportunities for women (or men) to reach senior roles. However, where fashion, beauty and jewellery businesses are led by women, there tends to be less discrepancy between male and female pay.

FUTURE INSIGHTS FROM STYLUS

“For younger consumers in particular, the power of community has never been more potent, forcing brands to rethink how they communicate internal processes and practices, and redefine corporate responsibility for a more inclusive modern age.”

DR ANTONIA WARD, GLOBAL DIRECTOR OF ADVISORY, STYLUS

- Larger corporations and platforms will need to offer opportunities to smaller businesses and local start-ups. Supporting BIPOC and LGBTQ+ founders will be integral to this.
- Luxury brands will be further under pressure to demonstrate financial investment in – and commitment to – holistic diversity and inclusion programmes. Programmes will need to be continually evaluated to ensure the authentic pursuit of equity.
- Building on sustainability-linked financing, businesses are likely to explore diversity and inclusion-linked financing.
- Companies will deepen their focus on including people with disabilities and chronic illnesses, including through inclusive design and remote working policies.

Communicating your Sustainability Strategy

COMMUNICATING YOUR SUSTAINABILITY STRATEGY

Sustainability is increasingly a part of conversations with investors, business customers and consumers. A significant opportunity exists for luxury businesses of all sizes to build brand loyalty by engaging consumers with their sustainability stories. In particular, with consumer trust in smaller brands on the increase, there is a real impetus for small brands to articulate the social and environmental benefits of their products. However, moving beyond business and investor communications to share simple, inspiring stories of business endeavours on sustainability can be an uphill struggle.

Our members are walking a fine line between over-simplifying complex, interrelated issues and risking alienating consumers with information overload or perceived 'greenwashing'. Despite their best efforts to drive transformative change, the question of how to communicate progress in a way that engages consumers and other stakeholders in the journey often remains a mystery.

WALPOLE MEMBERS' BEST PRACTICE ADVICE

Here are some top tips for success, shared by our members:

Know your purpose – Determine your purpose and define key messages that summarise the essence of what you aim to achieve and why, firstly communicating on it internally before deciding how best to communicate purpose-led work to consumers.

Understand your audience – Gauge different audiences' levels of understanding on sustainability issues, opting for straightforward, jargon-free terminology and getting to the heart of what consumers understand by sustainability.

Monitor consumer concerns and help people gain a clear conscience – Constantly monitor which issues consumers care about (from plastic to palm oil to energy use), and make sure you cover all aspects of the basic information the consumer wants to know on these topics.

Be humble yet ambitious, share transparently – Communicate your challenges in a humble and open way, while sharing a sense of ambition and progress. Highlight to consumers that you are on a journey and don't be afraid to admit that you're not perfect and there is still work to do. Provide an accurate yet balanced and concise view of the challenges. Be clear about the choices you've made, the compromises they entail, and the benefits of the option you've chosen.

“We’ve recognised that it’s fine to hold our hands up and go, ‘We’re not perfect’. And I think that’s a bit of a shift of tone of voice for Savoir. Now we need to find a way to articulate this message to ensure it resonates with our customers.” SAVOIR BEDS

Collaborate with communications teams – Stay in close contact with communications teams in order to create an ongoing dialogue around progress and identify interesting stories. This can be invaluable in proactively sharing good work and challenges, helping to avoid the risk of NGOs or activist criticisms.

Let people know where luxury shines – Don't be afraid to let people know where luxury already has the edge in sustainability and the circular economy, particularly in terms of quality, craftsmanship, durability and aftercare services.

Tell engaging stories – Everyone enjoys a good story with a human angle and tales of epic journeys with obstacles addressed and overcome. Seek out the most compelling stories behind your products, explore what your competitors are doing and identify untold stories that will help you stand out in the marketplace. Share the social and environmental benefits of your products in an inspiring way, focusing on examples of how your products benefit people from organic farmers to artisan miners.

Star quality – Centre stories around flagship projects, hotels or products with outstanding sustainability credentials, while increasingly ensuring that sustainability is integrated across your product/service offering.

Unpick the myths – Cut through the confusion by helping consumers to understand exactly what terms like 'organic' mean. Compiling online glossaries or product scorecards/labels could be useful here (ideally sector wide). If your product isn't certified organic, for example, translate its credentials simply and honestly, e.g. JING Teas uses the phrase 'Made without pesticides'.

“The onus is on you to as brands, as retailers, to make sure you’re telling the story so that that the consumer understands all the amazing things you’re doing and makes purchasing decisions that align with their values and help us grow as businesses. At the end of the day we are talking about business.”

MCKINSEY & COMPANY

Engage positively and proactively with the media – Invite interviews with journalists, making sure to prepare robust Q&As for any company spokespeople, and prepare credible, transparent key messages and proof points in advance. Work with journalists who are passionate about creating a true understanding of sustainability, so they can help to educate consumers so they can make their own choices.

Make it relatable – Find equivalents that help to give a more visual or understandable idea of your progress and enable people to translate the gains to their daily lives, from swimming pools of water in cars taken off the road, or how many times you can charge your smartphone etc.

“I’m really interested in doing a Green Carpet Challenge for luxury interiors and using the best interior designers to collaborate with the best craftsmen and suppliers to create luxury narratives and concepts that drive behaviour change.”

OLIVER BURNS

Make it desirable – The luxury industry sector is also about fun and frivolity, so contribute to people’s dreams with a little magic... make sustainability desirable, part of an aspirational lifestyle, engage role models and brand ambassadors. Show that there’s no trade-off in aesthetic or luxury quality.

Find the sweet spot – Identify the right balance between over-simplifying and over-complicating the issues.

Integrate sustainability in brand communications – Include a sustainability angle within every press release, feature and news story; compile sustainability editions of your newsletter or magazine, ensure there are always sustainability news and views, thought pieces etc.

Hook into topical events – Make sure you have a story to tell linked to key dates in the sustainability calendar, including World Environment Day and Earth Day.

Launch credible, compelling campaigns – Encapsulate all your key strategic sustainability efforts within campaigns that tell the story of your progress and achievements. Integrate sustainability stories within stores and visual displays.

Keep it real – If a big launch or major campaign doesn’t feel like that right fit for you on your sustainability journey, communicate on the areas where you do have robust, credible gains to communicate. In every case, back up statements and stories with facts.

CASE STUDY

Finding the sweet spot: Bringing sustainability to life for consumers



Mulberry took a creative, mindful approach to communicating its sustainability story with its ‘Made to Last’ event at London’s 2020 Fashion Week, inviting fashion industry sector insiders and customers to step inside its commitment to crafting responsible luxury and experience its brand ethos first hand. In particular, the company brought its craftsmanship to life by transporting Mulberry artisans from its Somerset factories to its Bond Street store to see the brand’s first 100% sustainable leather bag – the Portobello Tote – being made live.

Re-creating a production line in store was just one element of a visually engaging, interactive event that took visitors to the heart of Mulberry’s sustainability journey. Customers were able to try their hand at craft leather workshops, and hear a host of fashion sector talks covering topics such as the circular economy, responsible sourcing and carbon neutral manufacturing.

Beyond the Portobello Tote, visitors could also browse lovingly restored Mulberry bags

donated by celebrity fans of the brand, and explore a new range of bags and outerwear inspired by circular design – the M Collection – crafted from a blend of ECONYL® regenerated nylon and sustainable cotton.

To provide a truly immersive experience, Mulberry’s holistic sustainability approach and brand commitments were reflected throughout the installation design, with the company opting for reusable displays, and a pop-up café from artisanal bakery Pophams.

“The event gave our customers a clear insight into the action we’ve already taken, as well as a clear vision of how we plan to develop our sustainability strategy and future legacy. Our interactive approach helped to cut through the complexity surrounding many of sustainability-related topics, and we hope demonstrated that even if we don’t yet have all the answers, we want to engage in the bigger conversations,” explains Charlotte O’Sullivan, Global Marketing & Digital Director, Mulberry.

Looking ahead

Building on the luxury sector's sustainability progress to date, multiple opportunities exist to continue the journey and collaborate to accelerate and amplify impact. Firstly, to advance the shift to a circular economy, luxury brands have a real opportunity to strengthen their position in product durability, deepening their focus on take-back systems, offering repair tutorials and exploring brand-sanctioned resale. The next decade will also see the emergence of a plethora of innovative materials, as businesses begin to embrace materials that contribute positively to the environment and nourish biodiversity.

Protecting the natural world, fighting climate change and conserving natural resources will continue to be major challenges across sectors, with brands increasingly expanding the scope of their environmental stewardship ambitions. Measuring and monitoring progress will remain critical to advancing performance. Biodiversity protection, in particular, will gain in importance, as companies move to actively protect and restore nature, including through agroforestry and regenerative farming methods. Product innovation will remain central to this equation, with brands bringing 'waterless' products to market, and exploring packaging and products that sequester CO₂, for example. And synthesised materials may begin to gain in popularity, as an alternative to industrial agriculture and its associated climate and environmental footprint.

The quest for traceability will see a boost from technology, as smart tags become the norm, enabling the tracking of products and packaging throughout the supply chain. Meanwhile, brands will offer ever greater transparency to stakeholders, moving to provide on-demand traceability and provenance information. In particular, brands will find innovative ways to communicate the social and environmental impacts of their products to consumers, straight to their smartphones, and engage with them on sustainable lifestyles.

Elsewhere, as businesses continue to review supply chain resilience in the wake of the Covid-19 pandemic, smaller luxury brands will be the first to radically localise supply chains for materials and services, boosting traceability and supporting local economies.

Finally, luxury brands will continue to build more holistic, sustainable diversity and inclusion strategies as the next generations increasingly seek progressive employers offering diverse, inclusive work environments. This could even extend to diversity and inclusion-linked financing. Efforts to build more inclusive businesses will increasingly extend beyond gender and ethnicity, with a growing focus on disability, as brands step up their efforts to offer fair chances to all.

JOIN THE WALPOLE SUSTAINABILITY MANIFESTO

Since the launch in February 2020, 70 Walpole members have joined founding signatories Harrods, Burberry, Mulberry, dunhill, Johnstons of Elgin, The Savoy and Chivas Brothers in support of the manifesto – all of whom share an ambition to make the UK's luxury sector the most sustainable in the world.

If you haven't already done so, please do sign up to Walpole Sustainability Manifesto or join our Working Groups – there are three simple criteria to be involved:

1. Endorsement from senior leaders to prioritise sustainability at the highest levels in their businesses
2. Identify a person in charge of sustainability within the businesses
3. Promote proactive and transparent communications around sustainability both internally and externally



For more information and to find out how to get involved with Walpole's Sustainability work, please email charlotte.keesing@thewalpole.co.uk and stephanie.robinson@thewalpole.co.uk

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Katharine Earley is a writer and editor specialising in sustainability reporting and communications in sectors including beauty, food and fashion. She has also contributed to publications including the Guardian. She is particularly interested in supply chains, social impact and the role of business in sustainable development.

Katharine enjoys covering social and environmental issues in an informative and accessible way, distilling the complex world of sustainable business into concise, engaging stories.

She previously worked in business-to-business communications, studied French and Italian and combines her interest in writing and languages by translating sustainability reports from French to English.

Walpole

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