

W A L P O L E

British Luxury
Sustainability Manifesto

2020

WALPOLE

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Why – The responsibility to create a more sustainable future

Luxury is one of the fastest growing and most successful industries in the UK. It represents the highest standards of creativity, innovation and quality with brands including Alexander McQueen, Burberry, Claridge's, Dunhill, Harrods, Glenmorangie, Manolo Blahnik, NET-A-PORTER, Rolls-Royce Motor Cars and Wedgwood renowned throughout the world.

- British luxury is worth £48 billion to the UK economy, it is growing at a rate of 9.6% annually and it employs 156,000 people across the country in long-term, sustainable jobs.
- As we enter a new decade, environmental and social sustainability is becoming non-negotiable for luxury brands, with consumers, employees, investors, regulators, media and pressure groups demanding change.
- Many British luxury businesses have been trading for centuries, with new brands established every year. Therefore, UK luxury has both the opportunity and responsibility to play a key leadership role in the shift towards a more sustainable future for all.
- Working collectively, we can draw on the knowledge, expertise and passion of Walpole's 270 member businesses to make a difference to sustainability challenges, including the reduction of carbon emissions, reducing the impact on our environment, and ensuring sustainable business.

Through Walpole's ambitious and comprehensive sustainability manifesto we aim to support the British luxury sector to become a world leader in sustainability.

In sustainability, as in every other key industry issue, none of us can drive the change we need to see as individuals. But, if we come together, work collectively, share best practice, insights, suppliers, challenges, discoveries, then collectively we are incredibly powerful and able to build a more sustainable future for British luxury.

What – Establishing British luxury as a leader in sustainability

Walpole’s sustainability manifesto aims to set ambitious industry aspirations to lower carbon emissions, reduce the impact on the environment and ensure more sustainable future growth. These aspirations are aligned to 11 of the 17 the UN Sustainability Goals and are in recognition of the global challenges and solutions that will define the next era for luxury.

The four principles of the manifesto are to:

- Lead the transition towards a **circular economy**
- Safeguard the environment and **natural resources**
- Guide **partners + suppliers** towards sustainable practices
- Advocate equal and respectful **working conditions**

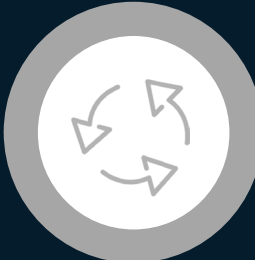



Walpole, in partnership with McKinsey & Company, has also developed twelve sustainability aspirations under these four pillars. Acknowledging the diversity of the membership community, the aspirations are not hard targets, but a set of ambitious guidelines to outline where greatest impact can be achieved across the luxury sector.

1. Lead the transition towards a circular economy
Tackling plastic packaging and circularity initiatives to extend product life and waste reduction.

2. Safeguard the environment and natural resources
Safeguarding the environment, addressing carbon emissions, renewable energy usage, water consumptions and discharge of chemicals.

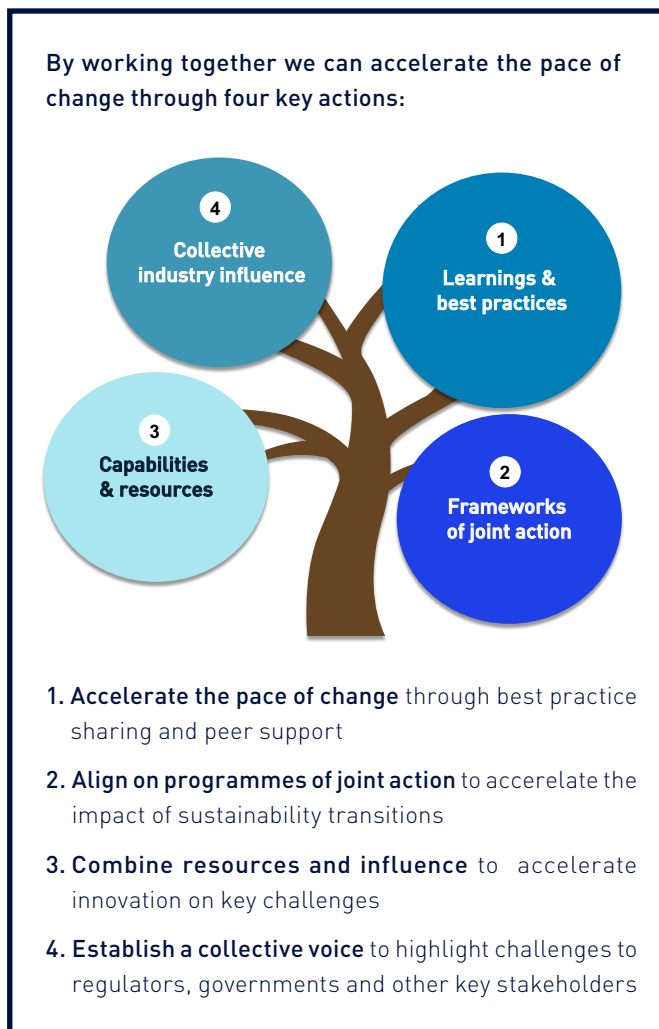
3. Guide partners + suppliers towards sustainable practices
Supply chain collaboration to focus on responsible sourcing and supply chain traceability.

4. Advocate equal and respectful working conditions
Compliance with human rights and labour laws, diversity and gender pay gap.

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|---|--|--|---|
| Lead the transition towards a circular economy | Safeguard environment & natural resources | Guide suppliers towards sustainable practices | Advocate equal & respectful working conditions |
| <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 4 50% absolute reduction in scope 1, 2 & 3 emissions 5 100% energy from renewable sources 6 30% water usage reduction across own operations 7 Zero discharge of hazardous chemicals | <ul style="list-style-type: none"> 8 100% sourcing from “responsible” suppliers 9 100% traceability on full supply chain | <ul style="list-style-type: none"> 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 |

How – Collective action towards sustainability

Walpole's manifesto creates a framework for joint action on core sustainability topics. The development of the manifesto recognises the substantial progress which has already been made across the industry and aims to build on existing frameworks and initiatives to accelerate the pace of change towards a more sustainable future.



Three levels of commitment

Walpole is asking members to commit to prioritising sustainability in their business and to do three things, all of which are proven to support effective sustainability transitions:

Endorsement from senior leaders

To support Walpole's new sustainability initiative and to prioritise sustainability within their businesses at the highest levels.

Ownership and accountability

Identify a dedicated person in charge of sustainability within the businesses and establish appropriate performance management incentives to drive ownership through their organisations.

Transparent communication

Proactively promote transparent communications internally within the organisation and externally with stakeholders to share best practices, achievements and challenges.

Walpole will support members by creating forums to exchange expertise, provide relevant guidance and insight, develop communications initiatives to shine a light on the significant progress that is already being made, and work to pool capabilities and resources towards innovation. We will also work collectively with members to influence and highlight challenges to regulators, governments and other key stakeholders.
