

Generation Less

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19

PREDICTIONS REPORT





ABOUT POSITIVE LUXURY

Positive Luxury connects luxury consumers that care, with brands that share their values through the interactive Butterfly Mark. The Butterfly Mark offers transparency of a brand's commitments to sustainability at the point-of-sale. Our pioneering approach uses technology to gather data insights about consumer behaviour toward sustainability.

Positive Luxury was founded in 2011 by Karen Hanton, MBE, founder of toptable.com, and Diana Verde Nieto, pioneering sustainability expert, honoured by the World Economic Forum as a Young Global Leader. Diana also sits on the Sustainable Development Goals Advisory Council.



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2019 PREDICTIONS REPORT IN PARTNERSHIP WITH





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FOREWORD

Less than a decade ago, executives rarely spoke of “purpose.” When they did spare a moment to consider why the point of their existence, their conclusion was typically simple: to maximise shareholder value. Today, however, purpose-driven business is the new normal for successful firms. More and more CEOs are taking a stand to say that their company is about more than profit – it’s about striving to fulfill a long-term purpose that benefits employees, customers, society and the planet – as well as shareholders.

Why are leading-edge companies casting aside the Milton Friedman-esque vision of business that puts short-term profit front and centre? Employees of all ages and backgrounds – not just millennials – want their work to be meaningful. Customers are seeking brands that inspire them. The planet is shuddering as oceans rise and forests disappear. Society is demanding that companies be responsive to, and responsible for, more than just shareholders. The game is changing, and the old rules are changing with it.

What does this mean for business leaders? Most importantly, it means driving your firm’s purpose into the heart of everything that you do. Purpose isn’t some separate initiative on the side, such as philanthropy, CSR, PR, or HR. Your employees, your customers, your communities, and our planet expect businesses to behave in a different way, whether you’ve put something on your masthead or not. The

zeitgeist has shifted. As companies are starting to wake up to embrace this reality, they’re realising their customers have been wide awake and hard at work for hours.

Some firms are starting to get with the program. For EY Beacon Institute’s recent *How can purpose reveal a path through disruption?* study, we spoke with nearly 1,500 senior executives and business leaders from around the world. A volatile and uncertain economic and geopolitical landscape has prompted a fundamental rethink within many companies about the how and why of their business. Just 40 percent of them define their purpose in a more expansive, human-centered, and socially-engaged way. But the direction of travel is clear: two-thirds of firms are profoundly rethinking their purpose, and more than half of those are moving towards a definition that goes beyond just shareholder returns.

Our research shows that these purpose-driven companies are better at attracting and retaining talent, building customer loyalty, spurring innovation, navigating disruption and yes, making a profit – all key for surviving and thriving in today’s volatile world. Employees and consumers will make their voices heard whether or not they’re asked. But they are looking for progress towards purpose, not perfection. They will respect executives who are authentic and candid about the distance their organisations have yet to go to truly live their purpose.



In an era of rapid globalization and dramatic disruption, the expectations of business have changed. That means executives are on a *purpose journey* – whether they like it or not. Rather than denying or dismissing it, smart executives will channel that invigorating energy and engagement into everything their organisations do. By transforming employees and consumers into a driving force for purpose, executives can boost profits, help their people find fulfillment in their work and redefine business as a force for good in the 21st century.

Now that companies are armed with the impetus and the business case to transform around purpose, the ‘why’ is no longer up for debate. The only question is ‘how.’ That’s where this report comes in. Positive Luxury’s 2019 Predictions Report - “Generation Less” - tackles how to drive purpose throughout the organisation, empowering and engaging employees and consumers at every level.

For too long, we’ve been obsessed with ‘more,’ whether more stuff, more profit, or more growth. Bigger is better, right? That’s the game we’ve been playing. Today humanity is charting a better path forward, a path in which we seek money and meaning, profit and purpose. That’s a huge opportunity. But business leaders who don’t see these fundamental norms shifting beneath their feet are likely to lose their balance and fall behind. There’s a movement underway, and ‘Generation Less’ is in the vanguard.



**VALERIE G. KELLER,
GLOBAL LEAD AND
EY GLOBAL MARKETS
EXECUTIVE DIRECTOR,
EY BEACON INSTITUTE**

Valerie Keller is a seasoned executive and advisor with a deep commitment to purpose-driven transformation. She has a breadth of experience leading growth via strategic transformations with wide range of global organisations and has knowledge in strategic planning, enterprise transformation, leadership, organisational development and cultural transformation. Prior to joining EY, Valerie facilitated corporate advisory services, working with a select group of top-tier multinational corporations undertaking strategic transformations. She has guided large-scale transformation projects across government agencies, businesses and NGOs and facilitated public-private partnerships.





Introduction

The world is quickly changing with massive implications for business strategy and value creation. New energy systems, emerging technologies, digital transformation, rapidly changing demographics, and rising global geopolitical uncertainty are shifting the context of how business operates today and in the future.

The two most disruptive conditions for business, particularly within the luxury sector, are climate change, and the attraction and retention of both talent and consumers.

The global challenge of climate change has led companies to invest in innovation, whether on materials or new business models, in order to increase their climate risk resiliency. Brands who confront this challenge are provided with the opportunity to change the narrative and drive disruption from the inside out. A business can evolve from “being a company to being part of a movement by unifying internal and

external stakeholders to unlock their goodwill” states Niall Dunne, CEO Polymateria, a start-up developing a new standard on biodegradable plastics.¹

To confront the challenges with attracting and retaining talent, brands need to appeal to a new ageless demographic that is united by a values-driven mindset. We call it “Generation Less.”

The Generation Less mindset represents how our world has changed and the set of values that all ages have adopted as a result. Generation Less values experiences, convenience, personalisation, work-life balance and are environmentally and socially conscious.

Generation Less express themselves as “good” by making discerning and ethical choices. They are buying less but buying better. Equally, people are choosing to work for companies that can unequivocally prove their positive impact on our world.



IN 2019, THE NOTION OF QUALITY OVER QUANTITY - LESS IS MORE - WILL BE THE REIGNING IDEOLOGY.

Mark Ferguson, a founding partner of sustainable investment management firm Generation Investment Management, along with former US Vice President Al Gore and David Blood, takes this sentiment one step further. He advises businesses to “replace marketing budget with innovative ‘sustainability’ budgets that can prove the authenticity of the company values and can be communicated instead of investing on traditional advertising.”²

2017 was dominated by the idea of truth, 2018 was defined by influence through emotion. In 2019, the notion of quality over quantity - less is more - will be the reigning ideology.

As such, brands need to ask themselves what they stand for and what is their purpose beyond profit, because that is what their customers are asking. Consumers want more meaning in their lives and they will invest in brands that help them achieve their aspiration.

Since Positive Luxury was founded in 2011, the company has championed business as a force for good. Positive Luxury’s 2019 Predictions Report - Generation Less - dissects key industry trends, and offers insights into how companies are innovating with great success in order to navigate the turbulent, but unavoidable waters of change.

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CHINA'S AWAKENED GENERATION



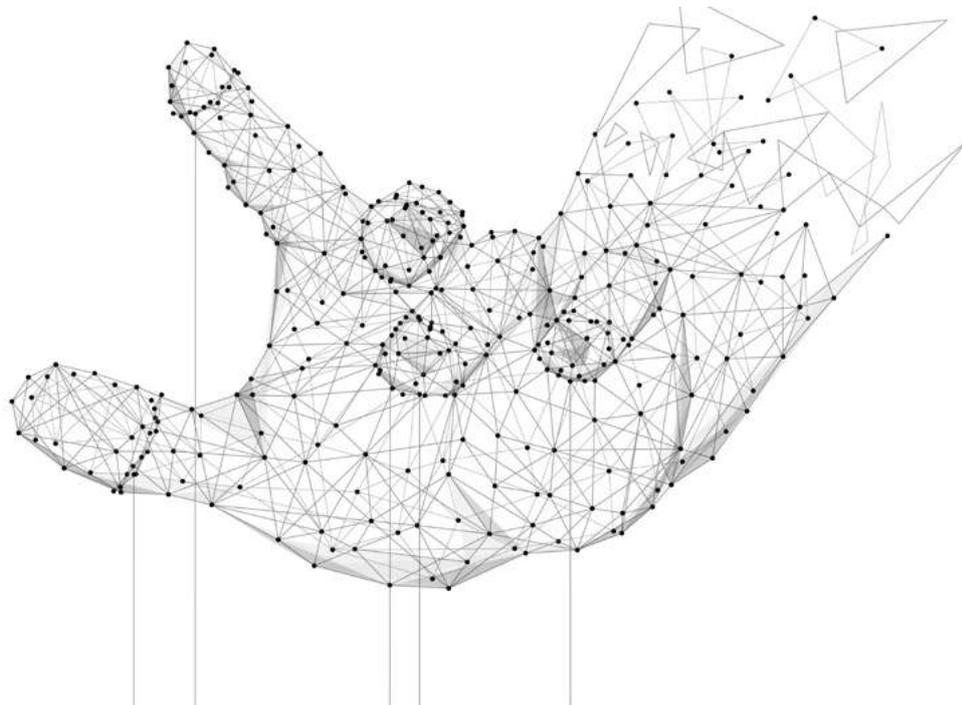
Fake News Continues

An unprecedented study by MIT scientists looking at the way in which news spreads across the internet, reveals that falsehood outperforms truth.³ About 126,000 stories were spread by approximately 3 million people on Twitter and 'fake news' was found to reach more people and spread more rapidly than accurate news stories.⁴

With consideration of the thousands of content platforms being shared and the 4.2 million Internet users globally, how do we know who to listen to?⁵ Is it fake news or just confusing

news? The oversaturation makes it impossible to discern what is 'right.'

An inevitable consequence of this is a growing distrust in institutions. Consumers are skeptical of companies and their motives, yet at the same time consumers are seeking ways to reinforce their belief system and their connectivity to a community. People are looking for businesses to trust, offering companies the opportunity to stand out and become thought leaders as we will discuss further.





The World has Changed: This is the Real News

While fake news maintains its allure, real news is actually making changes.

The Intergovernmental Panel on Climate Change (IPCC) published a startling new report in October 2018 which brought a sense of urgency to the global climate conversation. The report assessed the impacts of global warming of 1.5 degrees Celsius in the context of strengthening the international response to the threat of climate change.⁶ Its landmark findings assert that to limit warming to 1.5 degrees Celsius would require “rapid, far-reaching and unprecedented changes in all aspects of society.”⁷ As the authors of the report make clear, these necessary changes must happen within the next twelve years to limit the devastating effects of global warming.

Global economic losses from natural disasters and man-made catastrophes reached an all time high this past year, causing insurance companies, who carry financial burdens from climate change, to become an unlikely ally. The world’s second-largest reinsurer Swiss Re announced that it will stop insuring companies with more than 30% exposure to coal across all lines of business.⁸

An unlikely voice in the climate conversation is China. As the world’s largest importer of waste, China took a meaningful stand in 2018 and banned 24 types of waste including plastics and textiles entering their shores. This was a wake-up call for the rest of the world, mainly US, Europe, and Japan, to address their waste management efforts.

On this side of the shores, while Brexit negotiations continue and the future of the UK and Europe’s relationship is still unknown, there is one outcome that is certain: “The Brussels effect,” a term coined by Anu Bradford, professor of law at Columbia Law School.⁹

‘The Brussels effect’ impacts not only UK companies, but the global luxury sector. The regulations set by the European Union permeate into economic lives beyond Europe, ultimately setting globalised standards across food, beauty, fashion etc. “EU regulations have a tangible impact on the everyday lives of citizens around the world. Few Americans are aware that EU regulations determine the makeup they apply in the morning, the cereal they eat for breakfast, the software they use on their computer, and the privacy settings they



adjust on their Facebook page, ”¹⁰ Bradford explains. Regardless of the Brexit deal outcomes, the UK and any other countries that want to continue engaging with the European market will need to meet the highest quality standards of production as imposed by the EU.

Bradford also acknowledges the growing focus on the Chinese market, and how China is responding by ramping up their rules to emulate those of the EU. As e-commerce continues to grow as a strategic business strategy for brands, companies who want to sell their products internationally must be deemed fit for sale by the highest global standards which, today, is set by the EU.

In Europe and the US, concerns about privacy and the ownership of personal data took centre stage in 2018, as seen in Facebook’s Cambridge Analytica scandal, the Marriott International hack affecting 500 million of their guests, and fitness app Polar exposing information on U.S. military and security personnel. With the implementation of the EU’s General Data Protection Regulation (GDPR), businesses around the world witnessed the financial and sociocultural effects of legislative action on data security.

New privacy regulations were set out to ensure that companies were using, processing and managing personal information responsibly and ethically, particularly in the digital space. While the legislation promised hefty fines if data laws were breached, the positive outlook was that businesses could leverage GDPR to build



consumer trust and loyalty. In an era of public skepticism for establishments, regulations for transparency in business ultimately favour the public and push businesses to go above and beyond due diligence.



“**2018** came to a gloomy conclusion with two reports that definitively, once and for all, called time on today’s dominant model of production and consumption. The first was the report from the intergovernmental panel on climate change, warning world leaders that we have no more than 15 years to avoid the risk of runaway climate change. The second, the living planet report, highlighted the still devastating impacts of economic development on the natural world, with 60% of our precious wildlife lost in the last 40 years. Ever since the earth summit in 1992, companies have been exploring ways of ‘doing less harm’, and that has at least slowed the pace of destruction. Twenty-five years on, however, it’s now clear that this kind of corporate commitment is completely inadequate, and young people are becoming more and more outspoken in their demand that all brands, particularly in the luxury market, raise their game just as fast as possible.¹¹”

JONATHON PORRITT,
ENVIRONMENTALIST,
AUTHOR AND FOUNDER,
FORUM FOR THE FUTURE





Luxury is Still Leading the Way

For the first time in 108 years, Chanel released a Report to Society that revealed details of their operation, from financial results to how they are addressing sustainability issues. The French house had been traditionally hush-hush about its business practices - however, their Report to Society illustrates the increasing expectations for transparency in business, even for heritage luxury giants.

Often luxury brands are extremely private about their business operations in an effort to protect intellectual property and add a sense of mystique around the brand.¹² With stakeholders demanding more accountability, fashion houses are fighting the circulation of false or misleading information and setting standards of trust by taking the matter of transparency into their own hands.



In December 2018 Chanel made two landmark decisions. The first of which was banning the use of exotic skins in the interest of more responsible and ethical sourcing.

The second was becoming an investor in Finnish biodegradable plastic developer, Sulapac. “Chanel is definitely one of the forerunners in the luxury segment as they want to invest on latest sustainable material and technology innovations, our mission to save this world from the plastic waste just became a big step closer.” Suvi Haimi Co-Founder and CEO Sulapac.¹³

Louis Vuitton is another leader in the luxury industry that is openly communicating about their aims to reduce their environmental footprint. As the newest member of the Positive Luxury family, they have created a waste reduction and recycling programme for materials including leather, canvas, textiles, and gold plated metallics. Moreover, the luxury house is investing heavily in technology to assist with the reduction of energy consumption throughout their operations. They have achieved this by choosing the most efficient air cooling and heating systems and by the installation of solar panels and LED lighting across all built areas. Since COP21, they have also initiated a global programme to switch the lights off in the majority of stores from midnight to 7 am.

As Louis Vuitton and Chanel led the way, 2018 saw the movement towards ‘less’ take hold. The British Fashion Council announced that London Fashion Week September 2018 was to be entirely fur-free. Gucci, Calvin Klein, Michael Kors, and Diane Von Furstenberg were a few of the brands that decided to ban fur from their collections in 2018. Sandra Campos, CEO Diane Von Furstenberg, stated the brand

is “committed to supporting the shift to a more ethical and sustainable fashion industry by providing the consumer with innovative and sophisticated alternatives.”¹⁴

This rapid shift towards less is not exclusive to the luxury lifestyle. BBC One aired Stacey Dooley Investigates: Fashion’s Dirty Secret, a documentary concerning the social and environmental impacts of fast fashion. The documentary exposed alarming findings that instigated mainstream discussions about an industry that is “costing people their livelihoods, costing millions of people their health -- in fact, it’s costing The Earth.”¹⁵

The Chair of the Environmental Audit Committee from UK Parliament wrote letters to the UK’s ten leading fashion retailers, including Marks & Spencer and the Arcadia Group, asking them to submit evidence of the steps they are taking to reduce the environmental and social impact of their operations. This is a call to the fashion industry to act more responsibly in the way they design, produce and discard clothes as it is today the second most polluting industry in the world.





Belief-Driven Purchasing: The New Luxury?

Belief-driven buying is now the status quo. While NGOs are traditionally expected to be the institutions righting societal wrongs, calling out bad practices, and building a sense of community - this position of 'moral authority' is ripe for businesses to embrace. People are considering a brand's principles as much as its products, and brands have no option but to take a stand.¹⁶

In today's climate, businesses are more trusted by the public than the government. Moreover, there is a growing expectation for businesses to drive societal change. 64% of consumers believe that CEOs should be the figures pioneering change, rather than waiting for the government to take legislative action.¹⁷

The consumer wields their power of purchase to dictate the conversation. People want to be recognised for the social, economic and environmental issues they align themselves with and use their support for brands to outwardly display their personal values. In an age of activism where younger generations are increasingly engaged in politics, consumers understand that they can use their wallet to vote, leading to "birth of Brand Democracy."

Nearly two-thirds of consumers now choose, switch to or boycott a brand based on its stand on societal or environmental issues, up from 51% in 2017.¹⁸

Generation Less associate themselves with brands that say something about who they are and where they fit in, regardless of their age. In order for a brand to resonate with people on that level, they need to move away from how to 'win' customers to how to 'woo' them, meeting them in the context of being a service to their own needs"¹⁹





China's 'Awakened Generation' is "connected, curious, conscientious."²⁰ Air pollution and other impacts of industrialisation that are observable daily have made environmental consciousness a larger priority to younger generations. Although activism may not be an option, young Chinese consumers can, and will, use their spending power to improve their lifestyles and well-being.

But how to influence them? 30% of luxury purchases in China are driven by word-of-mouth marketing, making it the most influential factor in the purchase decision, above the in-store experience.²¹ Chinese millennials are expected to buy up more than 40% of the global luxury market by 2025.²²

Why? In addition to having the world's largest Internet user base, 772 million people, more than double the 312 million users in the United States, China also has the world's most active social media landscape.²³ More than 550 million people use digital platforms, ranging from blogs to social-networking sites to microblogs and other online communities. These figures are continuing to grow with a projected 725 million social media users by 2022.²⁴ With an understanding of what they want, the new Chinese luxury consumer offers a \$150 billion opportunity for brands.²⁵

China's Awakened Generation



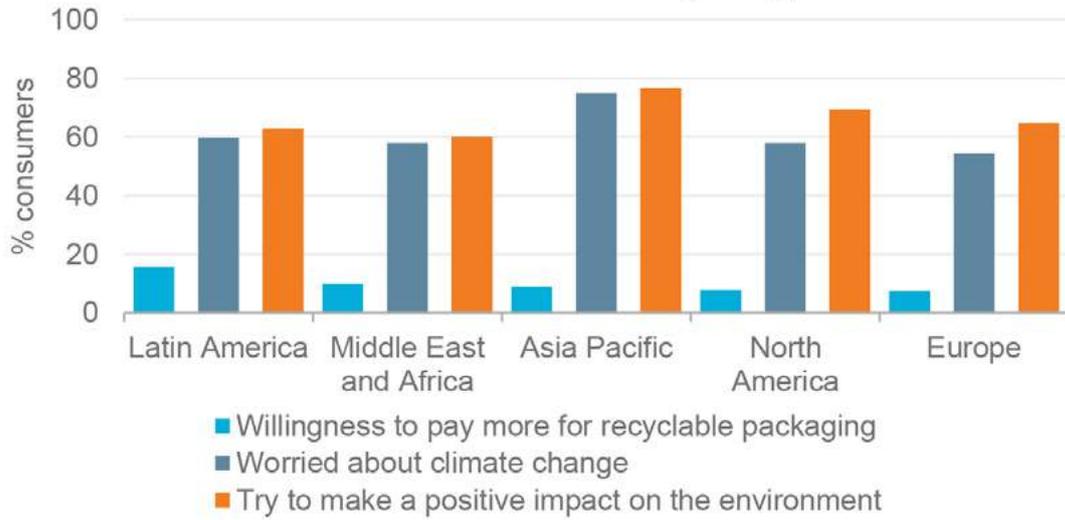
BELIEF-DRIVEN BUYERS ARE NOW THE MAJORITY IN EVERY...



BELIEF-DRIVEN BUYERS ARE NOW THE MAJORITY IN ALL EIGHT MARKETS EDELMAN SURVEYED, FROM CHINA TO THE U.S., AND ACROSS AGE GROUPS AND INCOME LEVEL. IMAGE CREDIT: EDELMAN



Consumers' Green Attitudes by Region 2017



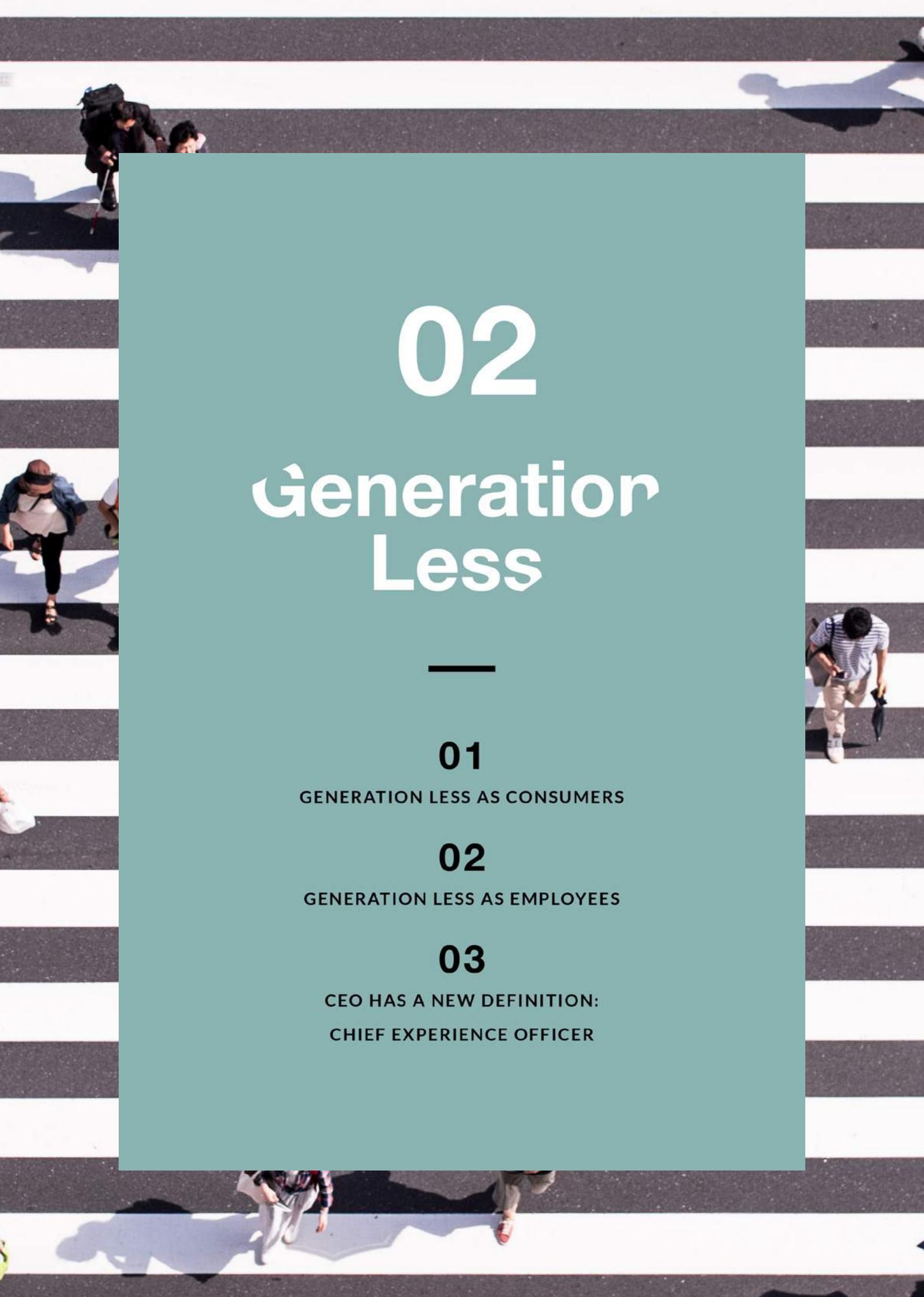
Global overview of ethical labels in 2017

Ethical Labels: Value Sales Globally
USD Million



Ethical label sales are largely driven by Asia Pacific, North America (specifically the US) and Western Europe. Increased consumer sophistication in developed markets has seen consumers scrutinising the ethical credentials of their favourite brands. Asia Pacific, which has previously been plagued by food scandals, is seeing a concerted efforts to increase transparency on labels.

SOURCE: EUROMONITOR. "ETHICAL FASHION: WHY AND HOW CAN THE FASHION INDUSTRY CLOSE ITS ELUSIVE LOOP" (TOP). "THE WORLD MARKET FOR ETHICAL LABELS" (BOTTOM).

An aerial photograph of a city street with a teal rectangular overlay in the center. The street has white crosswalk lines and several people are walking. The teal overlay contains the following text:

02

**Generation
Less**

01
GENERATION LESS AS CONSUMERS

02
GENERATION LESS AS EMPLOYEES

03
CEO HAS A NEW DEFINITION:
CHIEF EXPERIENCE OFFICER

02

Generation Less



01

GENERATION LESS AS CONSUMERS

02

GENERATION LESS AS EMPLOYEES

03

CEO HAS A NEW DEFINITION:
CHIEF EXPERIENCE OFFICER



Generation Less as Consumers

Due to this time of rapid change, it is well documented that Generation Less has a new set of priorities which put a focus on wellness, convenience and both social and environmental awareness.

In other words, they appreciate time and are mindful not to waste it. They choose to spend their money on things that deliver quality and emotional fulfillment. They want to live better, buy better and do better. They are looking for a better everything. Generation Less is more conscious of their spending than previous generations before them, but are willing to pay more for the best.

John Elkington notes that “the extreme wealth divides that have come to characterise our world, and which fuel the luxury sector, are unsustainable. By the mid-2030s, I wouldn’t be at all surprised to see a marked shift in many markets towards stealth wealth—and, as a consequence, to much less conspicuous forms of consumption and social signaling.”²⁶

Brand history has been decreasing in relevancy over recent years. Traditional testaments to luxury heritage, such as exclusivity and brand iconic patterns, are falling short in the eyes of those who value individuality and innovation.²⁷ The new reality is that “luxury consumers really only care about the brands that have created

value for them in the last 24 hours,”²⁸ Values must lead the conversation. Nearly 50% of consumers show an intent to buy after viewing a brand’s value-led communication.²⁹



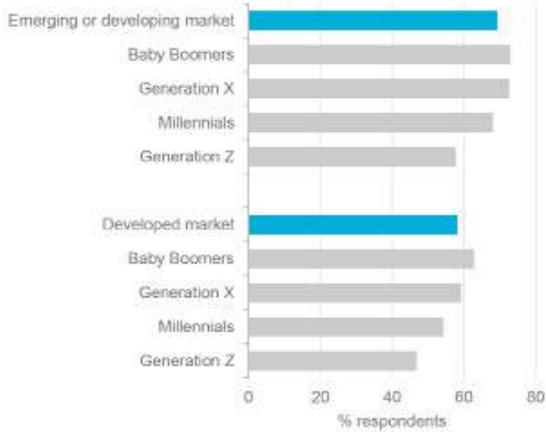
Stephen Webster Jewellery illustrates how a brand can take a political stand. Internationally renowned for exquisite and cutting-edge designs, Stephen Webster effectively weaves thought-provoking statements into the designs of their products. For instance, “The Last Straw” was a response to the world’s plastic pollution problem, whereby the UK alone uses a mind-boggling 8.5 billion straws every year. Beautifully handcrafted in sterling silver, each straw is engraved with the owner’s first name. To strengthen their impact, Stephen Webster is donating 10% of all sales proceeds to support Plastic Oceans Foundation on-going work in preserving our oceans.³⁰



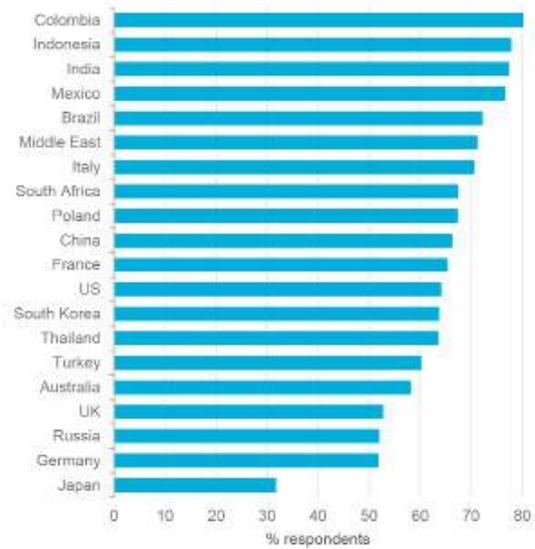
A growing appetite for mindful consumerism

▪ Globally, 60% of consumers stated that they were worried about climate change in 2017; however, 64% try to have a positive impact on their environment through their everyday behaviour. Clearly, we are living through a period where actions now matter more than words.

Making a Positive Impact by Generation and Development 2017



% of Respondents Agree or Strongly Agree: I try to have a positive impact on the environment through my everyday actions 2017



SOURCE: EUROMONITOR. "CHANGING THE MINDSET: TRAVEL & SUSTAINABILITY" (TOP).





WELEDA



**Bringing Brand Heritage into 2019
and Beyond**



As shoppers become increasingly conscientious and demand more from the products that they love - from the ingredients used, to the ethical and social responsibilities of brands producing them - the desire for key beauty players to be transparent in their practices is driving forward a 'clean' beauty market. However, with this growing demand comes a risk of increased confusion in an already crowded and unclear market. With a growing number of statements on packaging, it is unsurprising that consumers can become unsure about where to turn.

Awareness of the impacts of 'Fast Beauty' looks to be on the rise for 2019 and, consequently, we will see Cleaner Beauty as the next trend. With the term meaning different things for different people, what does it mean to pioneering natural brand Weleda?

For Weleda, cleaner beauty is more than a mandate to remove 'nasties' from products - it's a holistic approach to wellbeing, understanding that true beauty is more than skin deep. It's also a firm belief in the importance of honest, authentic, ethical brand values and working practices.

Starting in 1921 as a pharmaceutical laboratory with its own medicinal plant garden, Weleda has always been underpinned by the founding principle upon which it was established: to promote and restore people's health and support their efforts to achieve physical well-being and a balanced lifestyle.

Founded by philosopher and natural scientist, Rudolf Steiner, doctor Ita Wegman and Oskar Schmedel, a chemist and pharmacist, the company is still inspired by the philosophic ideology and values of anthroposophy. Anthroposophy is an approach to living, and a concept developed by Steiner that explores the extent to which a person has achieved awareness of their inner life and lives in harmony with the surrounding natural and social world. Responsible dealings with both nature and people have been at the core of Weleda's business. Whether it's through fair trade, biodynamic cultivation or the supportive development of their employees – sustainability is part of the company's roots.

Weleda is refreshing their near-centennial heritage into a relevant movement for the modern consumer.





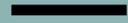
“**F**or Weleda, cleaner beauty is about taking a more holistic approach to your personal care routine, minimising the impact on the world around us. Consumers are becoming more informed in the choices they make, highlighting their desire for the principles Weleda has held true for over 90 years. Whether it’s through the natural products we develop, our commitment to sustainability, biodynamic cultivation, or pioneering in ethical practices, cleaner beauty runs through everything we do, and it always has.³¹”

JAYN STERLAND,
MANAGING DIRECTOR,
WELEDA UK

Inspired by the brand’s fundamental principles and interpreted in an innovative way, Weleda has transformed their intrinsic message and products into a 360° Cleaner Beauty campaign that resonates with the consumer in a meaningful and accessible way.

Their pledge to promote Cleaner Beauty involved a social media campaign, expert discussion panels in the UK, an educational video short and multiple talks and workshops at events throughout 2018, as well as point of sale support materials for retailers. Moreover, Weleda hosted a competition that engaged dozens of beauty bloggers with the cleaner beauty theme and nurtured these ambassadors throughout the year. The company’s reciprocal approach to communication and their partnerships with retailers, journalists, and other like-minded organisations effectively turned the Cleaner Beauty concept into an authentic and realised movement that consumers could engage with.





TRINNY LONDON



Think Personal, One Stack at a Time



In a growing beauty market that celebrates diversity and inclusivity, millennials are prioritising brands who put customer individuality first. In fact, according to a study by Forbes, 60% of millennials are inclined to make purchases that are an expression of their personality.

This consumer behaviour, along with the rise of online shopping and the demand for convenience in our digital world, has made miniaturization and personalization two of the hottest beauty business trends that speak to millennials today.

Trinny Woodall recognised this change in the market and founded Trinny London, a portable, versatile range of makeup with colours to suit every woman. Beyond the brand's commitment to delivering makeup with the highest quality ingredients and pigments — all products are cruelty-free with vegan and gluten-free options available — Trinny London is above all a beauty concept centred around the personalised experience.

The brand's personalisation aspect is characterised by three main elements: stackable, portable makeup jars that enable consumers to build their own make-up kit; the Match2Me online tool which provides recommendations targeted towards a person's unique combination of Skin, Hair and Eyes; and an online portal that houses the community altogether under the hashtag #TrinnyTribe.

All of these elements lead to a streamlined beauty routine fit for "Generation Less" that is on-the-go. With online shopping leading to

new challenges in packaging, delivery and recycling, new systems must be created in order to adapt to a system of recovery.

Trinny London's clever strategy shows the brand's commitment to creating products that last while reducing waste by minimising the size and bulk of their packaging and actively encouraging customers to reuse their iconic jars. The reusable stacks are ideal for travel, allowing consumers to carry as many or as few as they like in their handbag. Trinny London's original concept was recently presented with the Highly Commended for Design & Packaging at the 2018 Pure Beauty Awards.

"I want [my customers] to feel renewed confidence, to feel incredibly empowered," Woodall says. Trinny London is building better emotional connections with their following by celebrating a new generation that finds valuable meaning in self-expression.





THE SET HOTELS



Reinventing a Heritage Building with Sustainable Values



Millennials are seeking transformational experiences and adventures. As global economic development progresses, consumers' demand for travel has grown much faster than their consumption of other products and services.³² However, while millennials are purchasing fewer but better products, they apply their same belief-driven standards to investing in travel experiences. As a values-led company, The Set Hotels continually strives to build and evolve how they interact with the world and the people in it.

The travel sector accounts for 8% of global greenhouse gas emissions and is forecast to grow at an annual 4%, with carbon footprints attributed to transport, delivery and services or products consumed at a hotel.³³ The Set Hotels is aware of the hotel industry's impact on the planet, and thus have established an ethical framework that fulfills an obligation to act for the benefit of society at large, not just for the immediate benefit of the business. Their three founding properties in Amsterdam, London and Paris all sit in the cultural heart of their vibrant cities and retain a sense of purpose and continued contribution to its locality. At Conservatorium in Amsterdam, the hotel has been awarded the Green Globe Certificate while their Paris property, Lutetia, holds a BREAAAM certificate for their sustainable performance.³⁴

The Set Hotel's Central London offering, Hotel Café Royal, is one of the best examples of the company's responsibility to creating a positive impact on environmental and social wellbeing. Hotel Café Royal is Regent Street's gem and a true feat of green architecture that elevates the ordinary to the extraordinary.



A hybrid of the traditional and the new, Hotel Café Royal is a rejuvenated heritage building with modern design elements that champion environmental practices across three major areas: eco-friendly materials and design, energy reduction, and waste reduction.

Planet-friendly from the ground up, the building was originally designed through a "future fit out evaluation process" that minimises the environmental impact associated with the demolition and construction. A life cycle analysis tool was employed to examine building material options, determine construction processes and improve supply chain management.



This rigorous approach to environmental building design led to Hotel Café Royal being awarded the prestigious BREEAM certification, the world's leading sustainability assessment method for master planning projects, infrastructure and buildings that present high performing assets across the built environment lifecycle.

The building further integrates innovative technology with design to help reduce energy. Windows feature superior thermal insulation, lighting and air conditioning in bedrooms are movement responsive, LED bulbs replace halogen ones, and air conditioning in public areas are controlled by timers. A central Energy System for heating, cooling and electricity that is powered by innovative fuel cell technology is used to service multiple sites, saving 350 tonnes of carbon annually.

Hotel Café Royal also includes a smart air filter system that responds to pollution by purifying the air, as well as a greenspace rooftop complete with bird boxes to attract wildlife and a system that reduces water runoff from the site.

To reduce waste, speed drive sensors react to water usage and adapt the water pressure accordingly to limit consumption. An onsite glass crusher reduces waste volume by 80%,

and the crushed glass is recycled and reused. All plastic packaging, straws and cups have been removed from the hotel, and waste and recycling are separated in an organised fashion. In 2017-2018, Hotel Café Royal won a Waste Management award from Regent Street Property Management for increasing their recycling by 400%.

Sustainable infrastructure must go beyond building design and translate into a positive practices with guests and staff as well. Hotel Café Royal encourages guests to reduce their ecological footprint by reusing their linens and towels, maintaining a recommended room temperature and minimizing waste. Staff are trained to save energy where they can, such as washing at 30 degrees celsius or less and reducing the frequency of linen and towel change to use less energy and water. Menus are locally sourced and excess food is served at the staff restaurant. Sustainability is not only communicated to the hotel's stakeholders — people are part of the conversation.

With a history of over 150 years, Hotel Café Royal continues to rewrite its story, integrating values which address our most pressing environmental issues to date, while creating a unique setting that captures the hearts of minds their guests.



Generation Less as Employees

This is the first time in history that four generations are working side by side. Each group has its own distinct values and attitudes toward work, based on its generation's life experiences. To successfully integrate four diverse generations together in the workplace, companies will need to embrace radical changes in recruitment, benefits, and, most importantly, corporate culture. A company must create a culture that actively demonstrates respect and inclusion for its multi-generational workforce.

Despite the inherent variances across generational groups, the rise of Generation Less has built unifying values across the workforce.

To date, the dialogue has been centred on how difficult millennials are to manage, but the reality is that the millennial mindset is

spreading to other generations. Regardless of age, all employees want the same things that are enticing millennials - flexibility, respect, work-life balance, and being mindful of each other. Purpose-driven businesses are winning the talent war by actively living their ethics and expressly demonstrating why they are a better, value-oriented company.

It is more important than ever before for every employee to feel integrated into your company's culture, knowing that they are respected. This, of course, requires a different hiring strategy than those typically used. It is an approach less preoccupied with hard skill sets, but rather focused on values and ambitions. Furthermore, you must ensure that there is meaning behind their work and that their purpose is aligned with the greater mission of the company. Building and cultivating a shared vision helps employees understand why their job exists and creates passion for their work. No less important is encouraging work-life balance, offering health and welfare benefits, and providing rewards that your employees care about.

In short for Generation Less, the commitment to do good is one of the most beneficial business strategies that a company can adopt, as they are looking to companies to drive societal, economic and environmental change.



Thought leaders on how they attract, engage and retain millennials as employees

“It’s critical for companies to have an external brand that has a defined set of values which are authentic and relevant so you can attract great talent. It’s also just as important to have a clearly articulated and curated company culture to ensure all levels of staff live and breathe the internal brand. This way leadership can be confident all levels of the business are treating each other respectfully and in line with the company’s vision.”³⁵

RORY AND MELITA HUNTER,
FOUNDERS,
SONG SAA COLLECTIVE

“The young generation of modern contemporary travellers are more demanding of a hotel brand than generations before which I believe is a good thing, it encourages brands to think about what they offer and how they operate. Immediacy and the ability for guests to change their mind is now at the forefront of our strategy, as is transparency. At The Set Hotels we aim to establish an ethical framework that fulfills an obligation to act for the benefit of society at large, not just for the immediate benefit of the business and we actively communicate this to our guests.”³⁸

BRIAN GORE,
DIRECTOR OF BRAND
& MARKETING,
THE SET HOTELS



“**M**illennials are attracted to Krug as employees and consumers as everything that they see is authentic, honest and connected to our roots. In other words, the quality and authenticity of the Krug brand are built upon our heritage which has a unique and different approach to Champagne making in order to create the dream of our founder: The fullest expression of Champagne to be recreated every year.³⁷”

MARGARETH HENRIQUEZ,
PRESIDENT & CEO,
KRUG CHAMPAGNE

“I believe what is most attractive to millennials who are joining the Group today is our unique trait of being both deeply-rooted into the heritage and know-how of our Maisons - which are often centuries old - and capable of projecting it into the future through innovation and creativity to ensure it is passed down to future generations. Our roots and heritage give strong meaning to everything we do, while our entrepreneurial spirit and innovation drive us to never settle. We also develop initiatives that allow talents to better understand this and get a glimpse of what is happening behind the scenes in our Houses.³⁶”

CHANTAL GAEMPERLE,
GROUP EXECUTIVE VICE
PRESIDENT OF HUMAN
RESOURCES AND SYNERGIES,
LVMH



BENTLEY MOTORS



All About the People



From the moment the first Bentley was created in 1919, the human touch has been vital to the company's philosophy of unrivaled craftsmanship and performance. Which is why, at the Bentley factory in Crewe, North-West England, thousands of highly skilled craftspeople are involved in crafting their cars by hand.

Crewe has been the home of Bentley since 1946, making the automotive company an integral part of the local community. The Crewe site employs more than 4,000 people and is the town's largest single employer; representing a significant driver of the wider North West economy and leader in UK luxury car manufacturing. In addition to its direct investment in Crewe, Bentley supports and advocates a number of educational, training and volunteer programmes for the local community from improving technical expertise to personal skills and self-management. Through their range of trainee programs and even their own Rotary Club, Bentley supports and develops talent for the future within their own community.



Bentley believes in giving their staff the opportunity to grow both professionally and personally. Each employee is encouraged to take control of their own development and to request participation in courses they feel are relevant and important to their individual situation. Bentley's embrace of the importance of personal growth and fulfillment for employees is key to retaining the millennial mindset generation.

Bentley has been offering apprenticeships for more than four decades, not only for manufacturing and engineering disciplines, but also for those seeking careers across a broad spectrum of the business, such as Sales & Marketing, HR, Purchasing and Finance. Many of those who are training today's Bentley apprentices began as apprentices at the company themselves. By passing on their skills and experience, an appetite for innovation, a desire to explore new materials, a drive to develop new technologies and by instilling a flawless eye for quality, they are ensuring Bentley has a pipeline of passionate, highly skilled young



people committed to powering the world's leading luxury car brand into the future.

For Bentley, leadership is not just about being the major player in the high-end luxury automotive sector, it is also about leading the sector in other aspects – skills, employment and, increasingly, environmental performance. Energy management is a fundamental area of focus for the company with Bentley Motors being the first UK automotive plant to achieve ISO 14001 certification for environmental management. The company is taking steps to reduce their impacts on the environment through innovative engineering and new practices as evidenced by their achievement in reducing the weight of the body for the new Continental GT Convertible by twenty percent and optimising their engines to reduce CO2 outputs by thirty percent in the past decade. Bentley is embracing

new technologies to constantly evolve, becoming more efficient whilst delivering a more sustainable future. The brand's pursuit for excellence - from engineering to craftsmanship - is revealed by Chris Craft, Member of the Board Sales and Marketing, in the company's motto to "perfect what we do today, and innovate for tomorrow."

Moreover, 2018 saw Bentley investing in renewable energy with the construction of the UK's largest solar carport system at their Crewe headquarters with 10,000 solar panels and a capacity of 2.7MW. The new green energy system covers forty percent of the company's energy requirement on site and serves as another step towards their long-term goal of carbon-neutral production.

This latest step in almost a century of innovation is also further proof of Bentley's belief that investing in their facilities and





their people will enable them to continue to build extraordinary luxury cars for their customers.

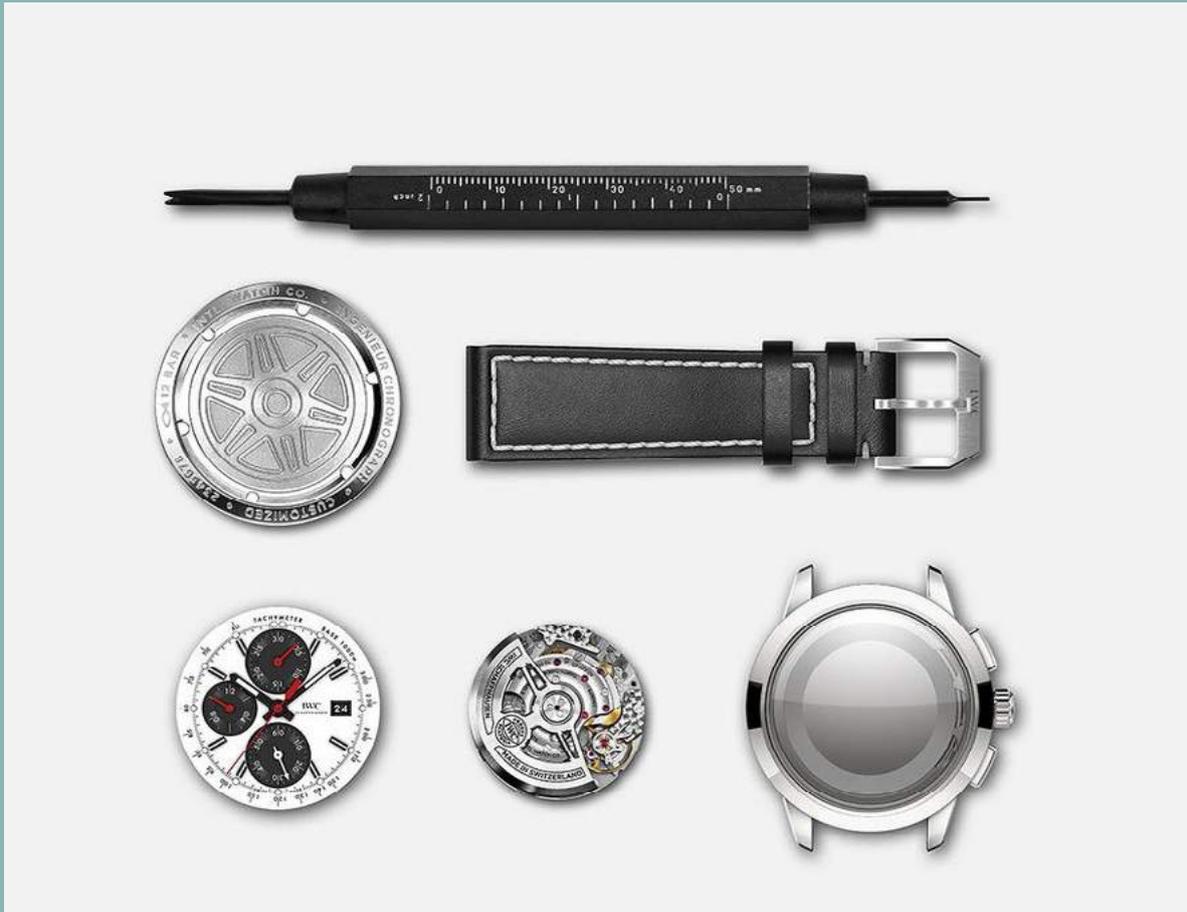
Bentley is committed to remaining a quintessentially British brand that is recognised globally for quality, innovation and luxury. To support this, Bentley's rich history must come to be relevant to today's luxury consumer. Their cars have always been designed, built and driven by exceptional people and it is because of this legacy of people that "a very high percentage of Bentleys that have been produced since 1919 are still on the road today," as Louise Burns, Head of Strategic Marketing Projects, shares. From the passionate W.O. Bentley collaborating with the celebrated Bentley Boys of the 1920s to achieve great feats of engineering to the visionary Bentley owners of today, Bentley people help to shape the world around them.

“ **A**s we reflect and celebrate the significant achievements of this company over the past 100 years, it is more important than ever to look ahead and prepare for the next chapter. This starts with recruiting the next generation, our experts of tomorrow, who we welcome and join an already highly-skilled, motivated and passionate workforce. ”

DR. ASTRID FONTAINE,
MEMBER OF THE BOARD FOR
PEOPLE, DIGITALISATION AND IT,
BENTLEY MOTORS



IWC SCHAFFHAUSEN



How a Heritage House is Driving Well-being and Engagement at Work



With a heritage of 150 years responsibly producing timepieces of the highest quality, IWC Schaffhausen's success is fuelled by a global workforce of approximately 1,200 passionate employees. IWC Schaffhausen knows that people come first. Staying true to their high standards for corporate social responsibility, the company is leading the way by embracing a modern approach to employee retention, prioritising a sustainable work culture through the training, development and well-being of their colleagues.

"Sustainability requires a systematic review of material issues for our business and its impacts on society," says Sarah Vowles, Corporate Sustainability Manager, "We strive to link our efforts across business areas and to complement international initiatives including the UN Sustainable Development Goals, in our manufacturing but also in the work environment IWC provides." The company recognises that employees are vital to realizing sustainability, and links to two Sustainable Development Goals to underpin their human resources activities: Gender Equality (#5) and Decent Work and Economic Growth (#8); with complementary initiatives that promote Good health and Well-being (#3) in the workplace.



Headquarters staff are engaged in the approach to sustainability from the moment they start work at IWC. Public transport for employees is subsidized, as is the purchase of electric vehicles. Employees in the new Manufacturing Center, which includes several 'Green building' features, have ergonomic workstations and can use IWC's electric Smart cars to visit Headquarters (and vice versa).

"Employees are provided with low-cost physical fitness opportunities, free fresh fruit daily, a canteen offering local, seasonal produce, and we incentivize our people to reduce their carbon footprints to fight climate change," says René Behr, Director of Human Resources.

As a global organisation, IWC Schaffhausen embraces and prioritises diversity and inclusion in the workplace. Watchmaking has been described as a traditionally male-dominated industry, and one of IWC's sustainability targets is to double the share of women in management positions by 2020, compared to a 2017 baseline. Initiatives to achieve this include supporting parents, and recognising that enabling flexible working arrangements for both parents can make a significant difference to female employees.

Rounding out the three targets related to IWC's role as an employer are goals to: (a) achieve gender equality in training as measured by average hours per year, and; (b) reduce the absence rate by 10 per cent compared to a 2017 baseline by promoting health and well-being.



Equality in training hours is close to being achieved, partly through steps such as making training available in a range of languages. A recently created committee to promote health and well-being in the workplace received so many participation requests, leaders will have to be creative to ensure that everyone who wants to contribute, has the chance to.

Through consistent employee engagement, IWC builds a greater connection with employees' sustainability expectations. The company involves employees in a range of activities, seeking their expertise when new initiatives are being designed.

In the summer of 2018, employees participated in Switzerland's "We Act" challenge, providing employees with the opportunity to team up and participate in a range of activities designed to increase awareness of healthy and sustainable lifestyle choices, from choosing a vegetarian meal for lunch to biking to work. Corporate volunteering activities are also encouraged, with 'forest days' organized twice a year in collaboration with the Forest Stewardship Council, giving employees in Schaffhausen the chance to spend a day working in nearby woods on forest management. Globally, helping blind and visually impaired people through the "Be My Eyes" app is an option open to all colleagues.

Employees are encouraged to submit their own "bright ideas" for sustainability at

IWC, enabling the company to capture fresh perspectives and new expertise to drive sustainability forward in a concerted and team-focused manner. "Bright Ideas" is an intrapreneurship idea-management initiative, which has been ongoing for ten years and is currently managed by Pascal Laera, an IWC Watchmaker for Complications and Specialties. Around 150 to 200 ideas are submitted each year to "Bright Ideas". Each idea is evaluated and those that come to fruition are rewarded with monetary and company product incentives.

By integrating everything from leadership to technical know-how, creative development and sustainability, into their human resources initiatives, IWC Schaffhausen is evolving its organisational culture to embrace the millennial values of today.





CEO has a New Definition: Chief Experience Officer



Consumer futurist and author, William Higham, contends that “people increasingly look for more ‘meaning’ in what they do, therefore possessions are proving less valuable than experiences, and the memories and learnings that we gain from them. In the future, what we do, will matter more to us and our peer network than what we buy.”³⁹

Furthermore, Geoffrey van Raemdonck, CEO Neiman Marcus Group, believes our every day is becoming too “transactional.”⁴⁰ “In a world where technology moves so fast, we have to change the conversation. We need to really find how we can engage. We need to go back to the magic of emotions, the magic of experiences.”

As the millennial mindset values experiences over things and dematerialisation continues to grow, brands must adapt and translate consumer purchases into unique, curated and meaningful experiences.



THE BICESTER VILLAGE SHOPPING COLLECTION



Translating Purchase into an Authentic and Meaningful Experience



Millennial luxury consumers are driven to purchase products that reinforce who they are, not what they have. While aspirations of status are losing relevance, according to Deloitte's Global Powers of Luxury Goods Report, desires of being seen as ethical, tasteful and discerning are most compelling.

Modern consumers are looking to businesses they can trust to buy into and reinforce this idealised self-image. According to Edelman's 2018 Trust Barometer, which surveyed over 33,000 respondents across the world, the public's trust in media and government has continuously declined in the last few years. At the same time, there is a notable shift in public trust towards business with nearly 7 in 10 respondents saying that building trust is the most important role of a CEO, ahead of producing high-quality products and services. In today's desperate search for truth, businesses are expected to forge a path of authenticity.

At the core of The Bicester Village Shopping Collection by Value Retail, 11 international destinations across Europe and China, is a commitment to authenticity. Value Retail is the only company that specialises exclusively in the creation and operation of luxury outlet shopping destinations.

The Bicester Village Shopping Collection's fundamental commitment to authenticity delivers on the promise of its founding company's values. Authenticity strengthens the integrity and contribution of Value Retail's organisational culture, quality of service and provides a strong link with brands, partners,

colleagues and guests. In addition to company-wide support for organisations established to help those in need, such as Partners In Health and World Connect, each Village is engaged within the community it is rooted in. The company follows a stakeholder engagement policy to evaluate in each of its locations the primary impacts and dependencies of the community. It then invests strategically to support these communities, using the principles of Social Return on Investment (SROI) to measure the social benefit derived from each strategic investment. At the founding Village near Oxfordshire's market town Bicester, they enacted initiatives targeting at-risk youth, offering work opportunities and occupational training.





In addition, Value Retail invests in infrastructure and transport links to further give back to the local community. An example is its partnership with Chiltern Railways, which resulted in direct train service between London Marylebone and Bicester, terminating in central Oxford. This route was the first rail link between London and another major British city in 100 years. Value Retail is committed to supporting the future growth of the local area and its people. The company created a vision of what a healthy and sustainable community is and has achieved it.

This foundation of authenticity and trust each Village is built upon echoes throughout all levels of the business, all the way down to the guest's retail experience. The shopping experience at the Villages reinforces a sense of community and social belonging to the surrounding locality. In architecture, design and build, each Village reflects the best of local styles and traditions. The size and nature of each are appropriate to its surroundings, allowing the particular strengths of an individual Village to shine through while reinforcing the offering of the whole Collection. Local cuisines feature alongside international favourites on the menus

of the Village's restaurants, and local artists, musicians and performers further expand the guest's enjoyment of the entire retail experience.

While Value Retail appreciates the importance of digital relevancy, it believes the purchase experience is rooted in pleasure and engagement, which is not fully realised through e-commerce. As brands feel the need for a physical presence to successfully communicate their message and connect with consumers, The Bicester Village Shopping Collection offers an organic platform to do so. Today, the Collection serves the world's leading brands through a unique retail proposition – while prices may be lower, the consumer's perceived value is higher as a result of their meaningful experience.

As Sylvie Freund-Pickavance, Group Director of Strategy and Business Development, says, "We believe that in this digital age every manifestation of a curated experience, regardless of price, must be of uncompromising quality. It is this quality of experience that creates an emotional connection, transforming the purchasing moment beyond that of a mere transaction into a lasting memory. The process



of buying becomes meaningful and the product an investment to be treasured for years to come. This is the essence of true luxury – where quality surpasses quantity every time – and the absolute antithesis of fast fashion.” In the same way that quality is the benchmark of a meaningful guest experience, so The Bicester Village Shopping Collection promotes standards that protect and enhance the brand’s DNA. This is why many brand partners have chosen their flagship concepts for their boutiques within the Collection’s Villages. Guests, in turn, affirm their appreciation with 79% saying they feel they are in a premium environment when visiting a Village.

According to Freund-Pickavance, experiences are the main drivers of customer engagement and loyalty.



“

If we look at Millennial consumers specifically, experiences are paramount.

Research clearly indicates that these new generations are not drawn to simple ownership of things. What they really care about is the experience and actual human feelings associated with the consumption of the product. The more personal and special this interaction gets, the more loyalty and excitement the customer will show. Selling experience is the new reality.

”

**SYLVIE FREUND-PICKAVANCE,
GROUP DIRECTOR OF STRATEGY
AND BUSINESS DEVELOPMENT,
VALUE RETAIL**



Moreover, Group Retail Development Director, Stephen Lawler, asserts that a brand's greatest advantage in remaining relevant is to focus on how it is doing good, rather than just selling products, and how this message resonates with the consumer. "The product's final impact is in the hands of the consumer so the goal is to get them to care more," says Lawler. "Sustainability is an area in which luxury brands have a unique platform to effect change and get people to listen. The explosion in the middle class worldwide, and especially in emerging markets, means that luxury brands are very aspirational to these consumers. Research consistently finds that consumers in emerging markets are more highly engaged with issues around sustainability than developed markets. This gives luxury brands the opportunity to take the lead by helping these consumers make the right choices in terms of products and services which are sustainable."⁴²

Lawler believes that embracing sustainability is the key to innovation and the benchmark of a memorable experience. He cites examples of how Value Retail engages with its brand partners when it comes to shop fit, holding them to high standards in energy-efficient building fabric, visual and thermal comfort for guests and staff, and sustainable transport. The business also undertakes a BREEAM assessment for each new phase of development to any of its Villages in Europe, as well as committing to an annual GRESB (Global Real Estate Sustainability Benchmark) rating.

"Ultimately," he says, "Luxury brands are global, famous, prestigious, aspirational brands, and if we want the world to come together to actually change consumer behaviour and live sustainably, we need to see sustainable living as aspirational."

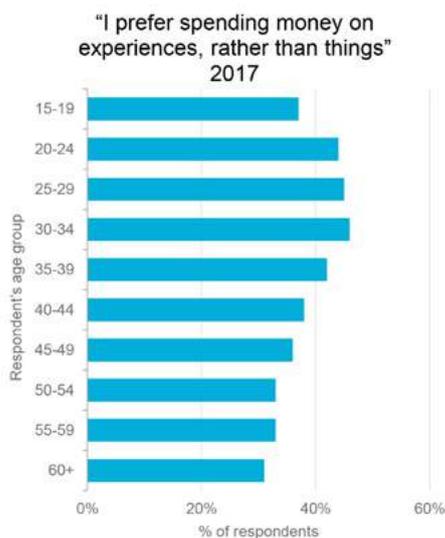




Generation Less - those who are more fixated on being a certain thing rather than having a certain thing.

Chief Experience Officer is the new CEO. A brand must engage Generation Less - those who are more fixated on being a certain way rather than having a certain thing. Conscious, social, global - these are the 'things' that they strive for. Status has become less about 'what I have' and more about 'who I am.'⁴³

As a result, experiential spending is being pushed by Generation Less and areas such as leisure travel and fine dining will see the most growth in the coming years.⁴⁴ In today's oversaturated world, attention is a precious commodity. If brands capture their audience with an experiential appeal, and present opportunities that resonate with their values, desires and emotions, this will result in a powerful brand-consumer connection.



Source: Euromonitor International's Global Consumer Trends Survey 2017, covering Australia, Brazil, Canada, China, Colombia, France, Germany, India, Indonesia, Italy, Japan, Mexico, Egypt, Qatar, Saudi Arabia, UAE, Poland, Russia, South Africa, South Korea, Thailand, Turkey, the UK and the US.

“**K**rug is a House to trust. In this House, the most detailed and uncompromising philosophy of pure and true craftsmanship is combined with innovation in many directions. We keep exploring and experimenting - this relentless search for new limits, as well as the authentic connection with our roots, appeals to everyone. Be true to yourself, be transparent and innovative. Be responsible with our planet, our consumers, our growers, our suppliers, and our people. A permanent quest for new boundaries fascinates all ages.⁴⁵”

MARGARETH HENRIQUEZ,
PRESIDENT & CEO,
KRUG CHAMPAGNE



SONG SAA RESORT



Positive, Participative and Profitable Change



Millennials are driving ‘the experience economy’ and looking for authentic interaction offline. They view participation as a way to promote togetherness and bring positive impact to their communities – values which technology or social media can enable but not fulfill. Song Saa Collective (made up of Song Saa Private Island, Song Saa Foundation and their new project: Song Saa Reserve) was born under these same values.

When the owners Rory and Melita Hunter first journeyed to the Koh Rong Archipelago nestled in the sapphire waters of the Gulf of Thailand, they were inspired by the stunning rainforests, beaches, and the people who made up the local culture of the island.

Rory and Melita understood that while the travel industry can bring positive economic impacts to a locale, it can also bring several concerning impacts on heritage sites, local populations and the environment. They wanted to build a luxury private island that ‘treads

lightly’, protecting the marine reserve along the coast while building community participation. In 2006 they created their first venture, Song Saa Private Island.

The award-winning Song Saa Private Island pioneered conservation-based luxury tourism in Cambodia’s Koh Rong Archipelago, working with villages, governments, investors and donors to improve local livelihoods and preserve marine life and rainforests. With this experience, the Song Saa Collective created a 21st century business model that employs business as a positive—and profitable—agent of change.

Throughout the years Song Saa Collective has grown to become a preeminent coastal marine NGO. Their own non-profit organisation Song Saa Foundation, established in 2013, continues the conservation work they began with the Resort, covering three major programme themes: water, people, land.





In 2018, The Song Saa Foundation spent 8 months rebuilding and expanding their Coastal and Marine Programme to ensure the continued growth of ocean habitats and the welfare of communities in this zone of Cambodia. This year, the Coastal and Marine Programme has included:

- Monthly ocean and coastal cleanup events and six large beach cleanups since July 2018
- Establishing and managing dedicated artificial reef “pods”.
- Continuous research on coastal and marine health around Koh Rong alongside a stronger partnership with Flora and Fauna Initiative (FFI).
- Hosting workshops with the Prek Svay community to strengthen awareness of ocean waste and best practice conservation measures.
- Building a secondary school for children in Prek Svay.
- An archipelago-wide health mission with U.S. partner International Medical Relief.
- Attending key forums, seminars, workshops and conferences locally and internationally.
- Collaborating with the government on agenda topics through participation and representation at MFMA Technical Working Group Meetings.
- The re-opening of the Sala Song Saa building which hosts children education workshops, volunteers, community events, an open library and an organic garden .
- The Marine Plastics Project led by the Global Shapers Community (GSC), where plastic PET bottles are up-cycled into handmade merchandise.





As well, for the first time in the foundation's life cycle, Song Saa developed and recruited a strong field team that is made up of a majority of Cambodians, with only a small percentage of foreigners. This is a goal Song Saa has been striving for many years as it positively impacts opportunities within a local community while respecting local traditions and way of life.

In 2018, Song Saa Foundation also drafted and launched their largest conservation initiative to date, The Ocean Stewardship Program (OSP), a volunteer-focussed program for internationals to pay to live and learn. The program has the capacity to make immediate and quantifiable positive changes to Cambodian coral reefs, and will leave a legacy of sustainable resource use and marine biodiversity for future generations of Cambodian communities.

2018 also saw the collective announcing the launch of a new project: the Song Saa Reserve. The Song Saa Reserve aims to fulfill

the organisation's vision for luxury tourism to effortlessly blend with initiatives that restore and improve the local natural and human environment. This new project will see hotel and villa residences integrate with a comprehensive series of sustainability-based initiatives, including educational centres, a solar farm and restored sections of indigenous rainforest.

The ambitious, enterprising endeavours of Song Saa Private Island, Song Saa Foundation and Song Saa Reserve are part of the Collective's larger company culture, guided by a pledge to 'create, collaborate and commit'. Design, ethics and integrity can be applied to businesses while serving society, but it is also Song Saa's belief in the power of dreams that inspire their customers and partners to join them in their movement.



03

Supply Chain Revolution

01

THE ANTI-PLASTIC FERVOUR

02

INNOVATION IS UNSTOPPABLE

03

CONTEXTUAL TRANSPARENCY IS KEY



Where luxury once used scarcity as a powerful signifier, their focus is now shifting to responsible sourcing and the safeguarding of natural resources.

Responsible sourcing is now an integral supply chain strategy that requires brands to find a balance between reaching financial goals, ensuring quality and improving environmental and social practices.

As the stakes in sustainable sourcing continue to deepen over the next few years, supply chain transparency and public reporting will be a key trend for businesses to adopt and adapt to. This 'push' demand for transparency comes from both consumers and legislative bodies. Whilst brands are being pushed by consumers to disclose their social and environmental practices, EU regulations are also pushing companies through corporate disclosure laws, customs data transparency, modern slavery and new EU policies on global value chains that encourage the protection of workers and the environment worldwide.⁴⁶



“Luxury brands need to remember that they have a duty to create with longevity in mind - designing for obsolescence must stop.”⁴⁷

PATRICK GRANT,
DESIGNER AND
CREATIVE DIRECTOR

“If CEOs and other business leaders haven't woken up to the nature and scale of the challenges we now face as a species, they must be brain-dead. They are a danger to their businesses, their shareholders and to the future.”⁴⁸

JOHN ELKINGTON,
AUTHOR, ADVISOR
AND SERIAL
ENTREPRENEUR



YSL BEAUTÉ



The Ourika Gardens



In 1966, Yves Saint Laurent fell madly in love with Marrakesh and Morocco. He found refuge in the multicolored landscapes of the city and turned the Majorelle Gardens and the Oasis Villa into his home. Morocco became Saint Laurent's inspiration and paradise until the end of his life.

Today, YSL Beauté continues the brand's legacy in Morocco, with an innovative project called "YSL Beauty Ourika Gardens": a unique garden harvested by women. Situated at the foothills of the Atlas Mountains in the Ourika Valley, approximately thirty kilometers from Marrakesh, "The Ourika Gardens" expresses YSL Beauté's attention to ingredients and naturality but also its love for women and the strength they possess.

Key plant ingredients that form YSL Beauté's treatments and make-up grow within the remarkable Ourika Gardens — calendula, saffron, walnut trees, mint and sage. Here you will find the famous saffron stamen used in the premium Or Rouge range, the walnut leaf for the Top Secrets skincare range and the marigold bloom for the Touche Eclat formula.

YSL Beauté sought out a partnership collaboration with a women's village cooperative in the Ourika community in 2015. Since then

the plants cultivated in this herbarium have provided over 33 women with the opportunity to double their income. The project allows YSL Beauté to not only secure high-quality ingredients for its products, but to also invest in the overall empowerment and economic self-sufficiency of a community of women.

YSL Beauté helps the women with the commercialisation of botanicals by providing workshops that help them understand the value of organic agriculture, organic agriculture techniques and training to help with the management of the cooperative.

Since the inception of The Ourika Gardens Project, the community of women have patiently tended the gardens. In 2018, over 5.5 million products sold contained an ingredient from the Ourika Gardens.

Keen to offer products that are more sustainable, YSL Beauté is building a committed and more responsible sourcing model, combining the expertise of local communities with the standards of a luxury brand. This promising initiative firmly establishes YSL Beauté within a dynamic of sustainable development through which the brand pledges to respect local culture and reduce its environmental footprint.





Safeguarding raw materials is crucial for a luxury brand since high-quality goods are often manufactured with the finest natural materials, many of which are rare and precious.

To ensure sustainable procurement, considerable attention must be paid to the traceability and compliance of the materials and substances used to manufacture products.

The LVMH Group has long embedded ecological imperatives as a source of innovation and creativity, with environmental responsibility being a pillar of their growth strategy for 25 years since 1992. Protecting natural resources is important for the Group because the company's business activities depend directly on ecosystems, on the quality of their raw materials and their supply chains, says Sylvie Bernard, Corporate Environment Director of LVMH.

The LVMH Group has hence taken a pioneering and strategic commitment to the environment by implementing LIFE 2020 – LVMH Initiatives For The Environment. Integrated across each of the Group's 70 Maisons, this proactive environmental policy aims to protect the quality of water, air, and soil, as well as the diversity of animal and plant species.

LIFE 2020 is based on nine challenges that are key to the Group's environmental performance,

and ranges from product design, raw material procurement, production, monitoring carbon emissions, to reducing the impacts of transportation and retail operations. LIFE 2020 not only drives innovation; it also helps secure the company's long-term future, contributes to cost-reduction, improves internal and external communications, and protects the reputational excellence of its brands.

As an example, Louis Vuitton has reached their LIFE 2020 target with 70% of their leather tanneries being Leather Working Group certified. This has helped the company gain a clear understanding of where their raw material is originating from and to mitigate the environmental impacts of their tanning processes.





“ I firmly believe that improving a product’s environmental performance will give customers ever-greater pleasure in their product experience. That’s why we pursue our efforts to integrate environmental performance at the design stage. ”

MICHEL BURKE,
CEO, LOUIS VUITTON

THE DYNAMICS OF THE LIFE PROGRAM

LVMH decided to strengthen its environmental approach in 2012, via a global program, called LIFE (LVMH Initiatives For the Environment), which is structured around nine aspects of environmental performance:

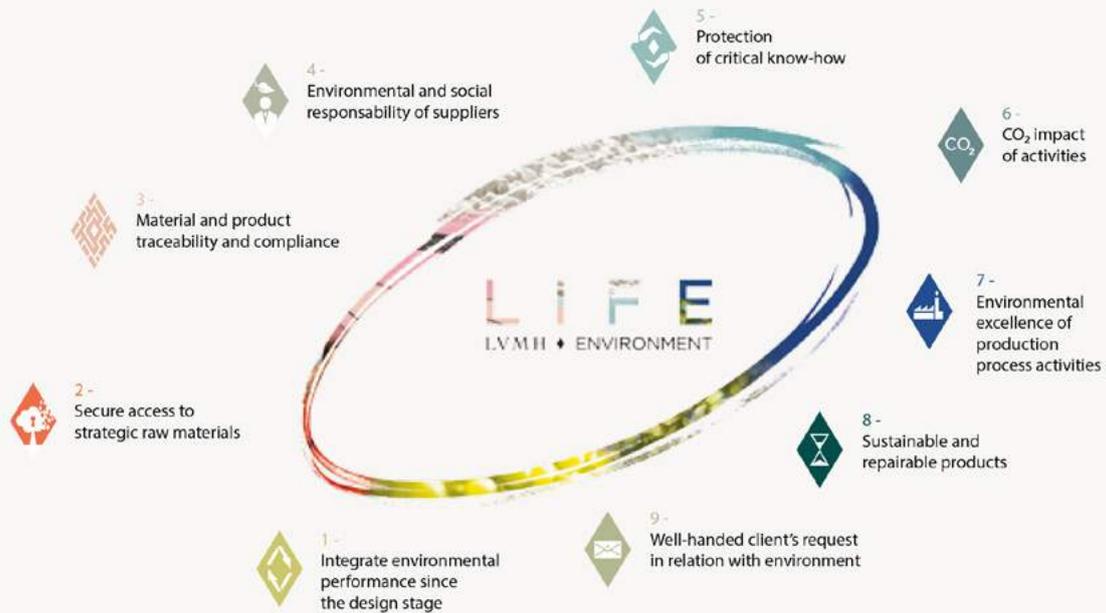


IMAGE CREDIT: LVMH



“**P**rotecting natural resources is both an imperative and an opportunity for our Group. It is an imperative, because our business activities depend directly on ecosystems, on the quality of our raw materials and our supply chains: we are genuinely striving to secure our company’s long-term future, while our position as the leading global luxury goods group requires us to set an example. It is an opportunity, because protecting the environment is not a restriction for us, but an innovation driver that constantly broadens the scope of possibilities and leads us further forward. This is true in all our businesses.”

SYLVIE BERNARD,
CORPORATE ENVIRONMENT
DIRECTOR,
LVMH





ARGYLE PINK DIAMONDS



A Mark Of Authenticity



As Generation Less consumers are increasingly aware of how things are produced and more discerning in their trust for brands, companies are placing greater importance on the provenance of their supply chains. A traceable supply chain is complex, and requires diligent commitment to ethical and environmental credentials.



priority at the Argyle mine.

From the mine to a polished gem, the journey of an Argyle pink diamond can take more than a year, many careful hands, an intricate network which comprises two underground crushers and 40 kilometers of underground tunnels. Every step of the process is tracked and assured through a unique laser

For some of Earth's rarest and greatest treasures, such as Argyle pink diamonds, this standard is no less rigorous in its regulation. Rare Argyle pink diamonds are formed at a depth of over 160 kilometres below the earth's surface, which makes the process of unearthing these treasures a challenge both in size and complexity.

Located in the remote East Kimberley region of Western Australia, the Argyle Diamond Mine is owned by Rio Tinto. The mine is well-recognized for producing more than 90 per cent of the world's pink diamond supply, and every diamond must be as sustainable and ethically sound as it is rare and beautiful.

The mine upholds the precious provenance of their pink diamonds through a dedicated chain of custody that ensures meticulous tracking and audited controls in the mining, polishing and distribution of its gems. Every company in the production chain from mine to market must employ fair trade practices under the same international standards of the Responsible Jewellery Council (RJC), of which Rio Tinto Diamonds is a founding member, and safety initiatives for employees are a number one

inscription on each pink diamond, a unique lot number only visible under magnification. This certification programme was established in 2005 and today is applied to all Argyle pink diamonds over eight points (0.08 carat).

Adding further verification, an Argyle Pink Diamonds Gem Identification and Authenticity Document is issued for each laser inscribed pink diamond and can be verified through an online search on the Argyle Pink Diamonds website.

Customer visits to the Argyle mine have been a regular event since the 1990s, providing Argyle's partners with an understanding of the effort, skill and knowledge required to mine every Argyle diamond – and a first-hand appreciation of the strong connections between land and community that are so much part of the Argyle story.

The Argyle Diamond Mine is scheduled to cease production at the end of 2020 and is actively working with all its partners to ensure there is a strong legacy of the land and its beautiful bounty with the provenance of the exquisite pink diamonds remaining a lasting testament to the magnificent Argyle Diamond Mine.



THE RILIEVI GROUP AND NO KA'OI



Innovate Responsibly



After eight entrepreneurial embroiderers became inspired by the techniques they learned from Mrs. Giovanna Barattozzi — a member of one of the most important beading families in Italy — they decided to bring a state-of-the-art approach to the centuries-old artisan processes of embroidery and beading. In 1991, they founded The Rilievi Group, helping clients realise their creative vision in ways never before seen in the market. Two of those original founders, Simona Finelli and Stefania Marocchi are still on board, leading the company throughout its process of growth.

The Rilievi Group is an Italian craft company that applies innovation, technology and skill to produce hand-made pieces for Haute Couture houses. They first started working with the iconic maisons of Gianfranco Ferré, Gianni Versace and Giorgio Armani over 25 years ago, and today they boast an exclusive list of clients that include Tod's, Prada, Lanvin, and other brands belonging to the two most important luxury French Groups.

Their embroidery adorns A-list celebrities on red carpets, high-fashion editorial shoots and the latest luxury collections — customised to each client's needs.

Today, Rilievi is a multi-national company with high quality manufacturing, sales and support offices in the fashion capitals of the world. Their logistics, IT infrastructure and organisational system, allows for a direct relationship with global clients, bringing the triangle between production, operation and clients closer than ever. The entry in 2013 among the shareholders of the company of Michele Galliano, a past management consultant with a strong experience in the fashion industry, aimed to enable such features to the original setup.

But what makes the “Made in Rilievi” label truly signature is the story behind-the-scenes: the international makers of excellence who create these unique designs are supported by the company's rigorous commitment to ethical supply chain standards.





First, the design department in Bologna works directly with the designers, creative directors and design teams of their clients, ensuring creativity is married with the latest manufacturing technologies. Art Director Stefania Marocchi leads the creative vision, directs the research department and sampling office, and works

Rilievi then combines uniform design manufacturing with sustainable production practices that meet the highest level of safety certifications across the globe. The company closely monitors their supply chain and directly manages their factory in Mumbai, Rilievi India Pvt Ltd., which serves as an external production base for the company. Rilievi India has a SA8000 Management System in place with effective policies to improve worker rights and guarantee safe working conditions. Rilievi also ensures that materials used in their craft are sourced ethically, such as choosing feathers that put animal welfare first and avoiding the use of PVC.



with the production department and bead-ers, each of whom are personally instructed and mentored by the founders. Rilievi Group's Sales Director Simona Finelli ensures the complete consistency among the clients' needs and the activity at Rilievi.

In 2014, the owners of Rilievi expanded their vision to create the lifestyle brand NO KA'OI. Simona Finelli wanted to introduce a new design system to activewear that combined her passion for high fashion, wellness, and yoga. Whether breaking a sweat, going to work or getting ready for a party, the NO KA'OI woman always sports an elevated style that's on-the-go — perfect for a modern generation that enjoys less restriction in their lives. Rooted in the spirit of wellness, NO KA OI's mantra is "to breathe beauty from the inside out". This means that the brand not only aims to make women feel good, but to also do good



by standing with an international community of people that believe in respect for human, animals and the planet.

Although NO KA'OI takes on a modern approach to fashion, the brand's quality still maintains the superior design heritages of Italy and India captured by Rilievi Group, with a commitment to exceptional and responsible craft at the heart. "Rilievi Group manufactures in India and creates with an innovative approach, constantly merging Italian and Indian traditions of artisanal tailoring and embroidery," says Franca Foligatti, Director of Sales & Marketing NO KA'OI. "The factory supports the preservation and development of artisan culture via socially responsible practice."

With a new generation of consumers focused on value and individualized messaging, NO KA'OI is committed to underlining their responsibilities and concerns about human impact on the planet by communicating awareness to their customers. This includes applying the Butterfly Mark directly at the point-of-sale on their website and garment tags.

“Rilievi Group’s factory creates with an innovative approach...it supports the preservation and development of artisan culture via socially responsible practice.”

FRANCA FOLIGATTI,
DIRECTOR OF SALES
AND MARKETING,
NO KA'OI





The Anti-Plastic Fervour

From straws to synthetic fibres to microbeads, 2018 saw the war on plastic. The shockwaves felt around the world by China's bold move to ban the import of plastic waste, along with growing awareness of degrading ocean quality due to galvanized media attention, helped stoke the anti-plastic fervour that was witnessed in 2018. Furthermore, the minimalist and conscious Generation Less consumer has helped cultivate a zero-waste movement with a thriving online community of bloggers who use a sleek, modern aesthetic to promote waste reduction practices.

Plastic pollution is not a new issue -- but why did this take so long? Environmentalists were already warning about the long-term effects of plastic in the 1970s. In 1990, the first ban on plastic bags was enacted on the island of Nantucket in Massachusetts, USA. Twenty eight years later in October of 2018, the EU Parliament approved a ban on single-use plastics. A look back at the history of plastics shows us that we simply do not have time to wait for legislative action.

According to the IPCC's groundbreaking report, we only have 12 years to make serious

changes to business-as-usual. The retail sector's pioneering role in ridding plastic packaging illustrates how businesses have the responsibility to become thought leaders and mobilise people towards action - it is what consumers are demanding from us.

As a global thought leader, Ellen MacArthur Foundation launched The New Plastic Economy Global Commitment to address plastic waste and pollution at its source. In October 2018, the initiative brought together a group of leading companies, cities, philanthropists, governments, academics, students, NGOs, and citizens to pledge a commitment to rethink the system of plastics, so that it never becomes waste. The Commitment's shared goals are: to eliminate the plastic items we don't need; innovate so all plastic we do need is designed to be safely reused, recycled, or composted; and circulate everything we use to keep it in the economy and out of the environment.⁴⁹

"This is the biggest effort ever seen to mobilise a global-scale industrial response, uniting the key actors around the globe behind a common vision for upstream solutions, addressing this pressing issue at its root cause," said Dame Ellen MacArthur.⁵⁰



“**F**ashion is hardwired for change like no other industry - we can reflect and drive cultural shifts. For our industry to be the one to say, ‘We’re going to take a leadership position on this, is great. Sustainability used to feel like a bucket of problems and it now feels like a bucket of opportunity, if you look at our industry from 1,000 feet away and say, ‘Wow, from agriculture to chemicals to the dyes to the manufacturing to 70% of the supply chain to retail to the trash that we make...there’s an opportunity for creating key impact.’⁵¹”

CARA SMYTH,
VICE PRESIDENT,
GLASGOW CALEDONIAN
NEW YORK COLLEGE



“**G**oing forward, the concept of Cleaner Beauty will extend to ‘cleaner formulations’ as well as cleaner packaging. We have already seen the impact the programme Blue Planet and David Attenborough has had in raising our awareness about single use plastics. With an estimated 90% of all beauty packaging going into landfill, every brand must do more to ensure our packaging is both fit for purpose and environmentally responsible. For ‘cleaner formulations’ the revelation that ingredients such as ‘dirty’ palm oil or non-biodegradable silicones actively harm the planet will drive this demand for responsibly-sourced ingredients and the elimination of both plastic inside the product and outside in the packaging, which can only be a good thing.”

JAYN STERLAND,
MANAGING DIRECTOR,
WELEDA



MILLER HARRIS



A Tribute to Nature



Founded in 2000 and based in London, British perfumer Miller Harris creates sensual and immersive experiences for fragrance lovers, inspired by the city's unique convergence between wilderness and urban landscape.

In fact, London provides a great backdrop for the brand, with 47% of the metropolitan area made up of sustainable green spaces. The city has eight Royal Parks spread over 5,000 acres, and has the highest density of bees in the country.

London's commitment to the preservation of green spaces is what inspires Miller Harris to carry this philosophy into their perfumes. The company honours nature by sourcing the finest raw materials and preserving the delicacy of their ingredients, then curates, combines and harmonises them to create perfumes that combine elegance with London's eclectic street styles.

Miller Harris' latest "Forage" collection is composed of three scents that celebrate London's urban greenery by incorporating notes from ingredients found in the city. "Foraging is now more relevant than ever," says Matthew Huband, Global Marketing Director at Miller Harris, "From foraged botanical cocktails to artisan food, we wanted to bring that sense of discovering the beauty in the ordinary to fragrance, creating a range of urban foraging-inspired scents from 'wild' London."

True to their experiential and experimental nature, Miller Harris enlisted the help of Smile Plastics to create a sustainable packaging

design for "Forage" that brings London's environment to life in the collection's look and feel.

The packaging is as beautifully designed as its bottles, and curated with the same attention to quiet luxury as their raw ingredients. Each "Forage" perfume bottle comes with a reusable fragrance holder that doubles as a keepsake box for treasures and trinkets. The holders are made from reused or recycled materials such as composite waste material. Distinctive plastic fragments (from bottle tops to yoghurt pots) inform the packaging design across each Bottle.

In keeping with the brand's environmental principles, Miller Harris continued their creative journey this past Christmas with beautiful genuine silk scarves that replaced traditional packaging, giving "re-use" a sustainable and luxurious twist.

Miller Harris' ode to the natural diversity of London's landscape is reflected in their conscious responsibility to the planet, and their thoughtful packaging communicates about a culture where less truly is more.





Innovation is Unstoppable

“**W**hen it comes to fashion, many of the conventional systems are not sustainable. As sustainability becomes more and more of a priority, we will see some real positive changes in these systems. There is already growing awareness about the importance of creating sustainable supply chains and this will lead to an increase in suppliers adopting best practices, like regenerative agriculture. This will then provide more options and availability of sustainable materials, which will support fashion’s shift to full sustainability. A crucial element here is in gaining a deeper understanding of the industry’s global supply chains to ensure they are sustainable and responsible. Traceability is one of fashion’s biggest challenges and I think we will see a push towards radical transparency and reporting in the next years. This kind of in-depth transparency is a “must do” for our industry. Transparency is also not just about product traceability – and how and where they are made – it is about how business activities impact and protect the planet in total. This way, consumers can choose to buy more wisely, and the investment community can understand the risks to a business and how resilient it will be to issues like climate change and resource scarcity. Overall, sustainability issues are becoming more important to consumers and investors, which will undoubtedly be increasingly reflected in the business community in the next 2 years.”

”

MARIE-CLAIRE DAVEU,
CHIEF SUSTAINABILITY OFFICER
AND HEAD OF INTERNATIONAL
INSTITUTIONAL AFFAIRS,
KERING GROUP



The luxury industry is at the mercy of climate change. The IPCC report notes that the agriculture industry is one of the most negatively impacted by global warming. Significant consequences upon natural resources are inevitable. As we face resource scarcity, we can look to start-ups who are using creative and innovative technologies to present solutions.

Allbirds, a direct-to-consumer environmentally friendly footwear company is using sugarcane in the soles of their shoes.⁵³

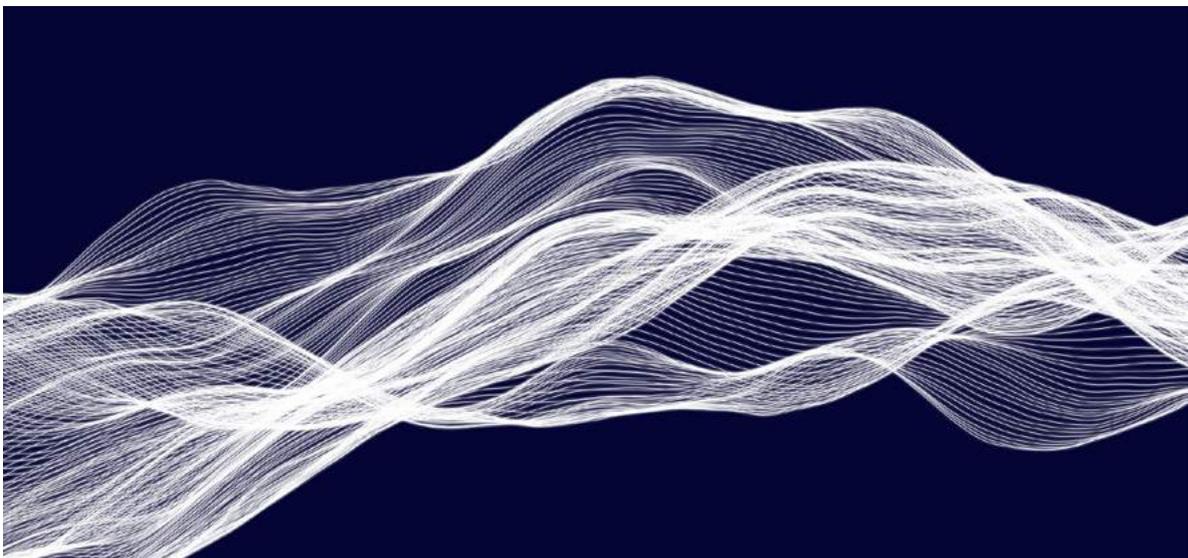
Everlane, founded in 2010, introduced a new patented material made from recycled water bottles.⁵⁴

Thousand Fell, a new sustainable footwear brand that has consideration for a product's end-of-life is a priority. "The sustainability of a product's materials will become as much of a requirement as the ability to exchange it if it doesn't fit. Sustainability will be the status quo," says the brand's Co-Founder Stuart Ahlum. He is vehement, however, that "aesthetics and environmental consciousness are not mutually exclusive."⁵⁵

Baume Watches, a Richemont company was launch with the objective to challenge every aspect of traditional watchmaking, from new materials to production, distribution and retail methods. For Baume, luxury means innovation and collaboration. Their ultimate aim is to inspire established watch brands to follow in their footsteps and create products where all materials can be recovered for recycling or reuse.

As Marie Chassot, Head of Baume explains, "Baume was designed with a new customer in mind whose values and priorities are different. Social purpose, inclusivity, and responsibility are at the forefront of our customer and employee's mind; being part of positive change for the environment and society is of the highest value to them."⁵⁶

Brands must listen or face the risk of being left behind. The Generation Less consumers make conscious choices that aim to break the linear model of waste. As a result, they prefer smaller, innovative brands who are aligned with these principles, particularly if large corporations do not match up.





BAUME WATCHES



**Design for a Better Tomorrow:
How BAUME Watches is Leading
Innovation in the Watch Sector by
Engaging in Circular Economy**



Circular economy has been brought to the forefront in the wake of anti-plastic fervour. Though circular design is not a new concept, the launch of UN Environment’s #CleanSeas campaign in 2017 sparked an urgent call for action by consumers and businesses to deal with waste and pollution.

Two years later and the tide continues to turn, setting off a wave of emerging innovations that respond to the war on plastic by presenting solutions across design, production and processing. Several companies were looking for ways to not only recycle, but to also build new economies of scale that can thrive while protecting our planet. Designing for a circular economy meant designing for a better tomorrow, and this was the mission under which BAUME Watches was born.

Recognising the shifts in thinking amongst the new generation’s consumer and the innovative production processes emerging in the market, the Richemont Group launched BAUME Watches in May 2018. BAUME Watches is a new watch brand offering customisable watches created through sustainable manufacturing processes.

A BAUME watch is more than a product — it embodies a new mindset that aims to transform the luxury watchmaking industry into a circular economy. BAUME Watches’ minimalist aesthetic is in line with the “Generation Less” approach of millennials, and is set at an affordable price point. As one of the first watches focused heavily on the sustainability angle, the brand’s unique concept affirms how design choices can be made on ethical grounds.





Two pillars guide BAUME Watches' actions on a daily basis: Mindfulness and Collective Intelligence. This commitment to reduce environmental impact is seen throughout their material choices, supply chain and collaboration projects with thoughtful partners such as Waste Free Oceans, Les Maîtres de Mon Moulin, Central Saint Martins, etc. BAUME Watches is financing a collect of plastic organized by Waste Free Oceans this winter in the Azores, this plastic will then be upcycled into watch straps. This first concrete example illustrate perfectly the engagement of BAUME Watches in developing a circular economy.

BAUME Watches is creating a responsible supply chain that respects humans and designs out waste and pollution. Sustainable material choices replace traditional precious stones, metals, exotics or leather. Instead, watch designs experiment with renewable natural resources such as cork and linen, and upcycled materials such as recycled PET for straps. Cases are made from recyclable materials such as aluminum. BAUME

Watches recycles unused components or materials from the production process and emphasise the upcycling principle, the first Limited Edition had a case made with old skateboards from Erik Ellington's and his friends' private collection. Even their packaging is in recycled paper (FSC-certified), recyclable and reusable, and the company is working towards incorporating reusable containers into their manufacturing process and moving to 100% recycled paper.

But perhaps the most innovative element of the BAUME watch is the idea of customisation. With over 2000 different design options to choose from, the modular construction encourages the consumer to play an engaged and active role in the decision of the products they buy. Since BAUME Watches holds only components in stock, avoiding the creation of obsolete stock. It is this democratisation of the design process that ultimately leads to a timepiece that is truly mindful, designed for longevity, and loved for longer.



Contextual Transparency is Key

Companies need to show not tell. According to Mark Ferguson, Founding Partner and Co-Chief Investment Officer of the Global Equity Strategy at Generation Investment Management, the traditional linear communication model used by brands is obsolete. Powerful communication is no longer the 'trust me, tell me, and show me' model.⁵⁸ He advocates for businesses to adopt a circular and interactive communication paradigm.

Today, good communication is a two-way dialogue as people expect to be part of the conversation and even co-create with brands. Those companies who adopt this new approach of sharing the good and the bad, instead of only general claims and achievements, will benefit in both the medium and long-term. For example, when communicating about reducing plastic in packaging, brands can also share how much plastic was used before, the ways in which it is being reduced, who is helping execute this objective and what the impact of these changes mean for the consumer and the environment.

“**M**illennials respond to brands that speak to their values; Confident, informed, and tech savvy, but at the base of everything has to be authenticity. Building our community, Trinny Tribe, which shows real women and not models wearing our products, is a direct link between us and our customers and allows us to be open, accessible and authentic at all times. Listening to our customers and understanding what they want from our products, whether that be a full coverage look, to a more minimal approach, we cater to all. Also, our Match2Me tool gives our customers the freedom to make their own choices, but with the personalisation and trust they need to be their best.”⁵⁷

TRINNY WOODALL,
FOUNDER,
TRINNY LONDON



BELVEDERE VODKA



**Uncompromising Quality and
Accountability**



Proudly made in Poland and crafted using 100% Polska rye and pristine water from its own natural well, Belvedere Vodka reveals the beautiful and layered taste of the world's first super-premium vodka.

By ensuring the highest environmental standards for its rye production and uncompromising integrity in its vodka making process, the company proves that working with nature can lead to exceptional product development and quality.

Belvedere Vodka has a distinctive taste profile that is recognised internationally by discriminating vodka enthusiasts. Its taste profile is structured, elegant and balanced, with a subtle sweetness, velvety rich mouthfeel and a smooth, clean finish. This dynamic and complex character is defined by a minimalist approach to making vodka. Belvedere Vodka is all natural, contains zero additives or added sugar, is certified kosher by the Orthodox Union, and is produced in accordance with the legal requirements of Polish Vodka.

Polish Vodka has the most stringent vodka regulation in the world. Every step of the production must be in accordance with "Polska Vodka" geographical indication requirements. As consumers now seek confirmation of where their products come from, few brands are as closely tied to the provenance of their ingredients as Belvedere Vodka is, or as rigorous in ensuring their standards of excellence are always met.

Belvedere Vodka has an established history of supporting the Polish community with sustainability initiatives. It co-founded the Foundation for Local Environmental Protection, and only sources its Polska Rye grains locally, working to nurture long-term relationships with Polish agricultural partners. It also started the Raw Spirit Program, launched in partnership with agricultural producers to promote the sustainable growth of Polska Rye, and a partnership with the the Lodz University of Technology, which ensures that the agricultural partners are kept up-to-date with the latest developments in grain cultivation.





To extract the finest characteristics of the rye, Belvedere Vodka is meticulously distilled across four columns to yield the perfect balance between the alcohol and the flavor of the rye. The distillation process takes place in a clean production process at their environmentally-friendly distillery Polmos Zyrardów, which is located in the heart of central Poland. One of the world's longest continuously operating Polish distilleries, Polmos Zyrardów has successfully received ISO certifications for management systems in the categories of food safety, environment, occupational health & safety, and energy efficiency. Through a series of efforts such as shifting from fuel oil to natural gas, upgrading the distillery control system, and recovering heat energy to name a few, Belvedere Vodka has been able to reduce CO2 emissions by 42% since 2012 and over the next three years hopes to cut emissions even further by 80%, becoming one of the greenest distilleries in the world.

As part of the LVMH group and under the LIFE 2020 project, Belvedere Vodka works hard to improve the environmental performance of their products, encouraging suppliers to pay more attention to environmental matters and to provide environmental KPI's on a quarterly basis.

Belvedere Vodka knows that a commitment to quality is synonymous with a commitment



to environmental excellence, and the company is continually mindful of its footprint.

"There is an increasing demand for company transparency in sustainability and consumers want to support brands that deliver on this promise. I'm very proud of our efforts to do so," says Rodney Williams, President and CEO of Belvedere Vodka.

As a result of passion and dedication to their craft and consistent commitment to quality and sustainability, Belvedere Vodka is the most awarded super premium vodka. It has been recognised "Vodka Producer of the Year" by the International Spirits Challenge for the past three consecutive years and it has received a Gold for Sustainability at the 2017 International CSR Excellence Awards (ICSR). The Polmos Zyrardów distillery recently became the first spirits distillery to receive a grant from the European Union to further its sustainability leadership.

By tapping into Poland's 600 year of vodka-making tradition, along with Belvedere Vodka's own drive towards innovation, the brand was the first to generate a new standard of excellence by establishing the super-premium vodka category.

In 2018, Belvedere Vodka opened up the doors of their distillery to the public for LVMH's 4th edition of Le Journées Particulières, allowing people to discover the brand's commitment to craftsmanship.



KIEHL'S SINCE 1851



Skincare Made Better for a Future Made Better



Since 1851, Kiehl's has always believed their patrons, communities, and planet deserve companies that do better. Aaron Morse, second generation Kiehl's family founder, penned the "Mission of Kiehl's," stating: "A worthwhile firm must have a purpose for its existence. Not only the everyday work-a-day purpose to earn a just profit, but beyond that, to improve in some way the quality of the community to which it is committed."

Founded as an old-world apothecary in New York's East Village over 150 years ago, Kiehl's extensive experience has resulted in a unique blend of cosmetic, pharmaceutical, herbal and medicinal knowledge developed over generations. A holistic sustainable model has always been at the core of the company.



However, this year Kiehl's publicly launched their Corporate Social Responsibility initiative "Kiehl's K+ Made Better" for the consumer — marked by a green seal that can soon be found in-stores and online.

The "Kiehl's Made Better" platform promotes Kiehl's commitment to continuous improvement across five key pillars: naturally derived ingredients, sustainably sourced ingredients, responsible packaging and manufacturing, recycled materials, and their community impact through Kiehl's Gives.

Today, 95% of their formulas contain at least one natural or natural origin raw material, with minimal preservatives in their formulations. By 2020, Kiehl's is committed to including at least three natural or natural origin raw materials in at least 98% of their formulas.

Kiehl's also works hand-in-hand with farmers and producers to source their ingredients in a way that's beneficial to their communities and the planet. Today, 36% of their formulas contain at least one sustainably sourced raw material, such as their ginger leaf, quinoa husk extract, and fairly traded Argan oil. The company is committed to including at least one sustainably sourced raw material in at least 50% of formulas by 2020.

Since 2005, the company has been responsibly manufacturing in a way that helps conserve the planet, reducing carbon emissions by 82%, water consumption by 21%, and waste generation by 36%. By 2020, they aim to reduce



CO2 emissions, water consumption and waste generation at their manufacturing plant in the U.S. by 60%.⁵⁹

A leader in post-consumer recycled packaging, Kiehl's also ensures consistent reuse and recycle in their stores, with goals to include at least 30% post-consumer recycled materials in 100% of their saleable products packaging by 2020. As a trailblazer in product take-back programs within the beauty industry, the brand encourages their patrons to recycle their empties through their worldwide Recycle & Be Rewarded program. Since the Recycle & Be Rewarded Program launch in 2009, Kiehl's has collected more than 3,000,000 bottles, and hopes to hit the 3,500,000 mark by the end of this year.⁶⁰

True to their mission for a future made better, Kiehl's makes it a priority to support community causes with a focus on children's well-being, environmental awareness and HIV/AIDS research through engaging campaigns within their "Kiehl's Gives" program.

The first Kiehl's product launched under the Kiehl's Made Better platform is "Made for All" Gentle Body Wash, which honours the 5 key pillars of the Kiehl's Made Better platform:

- Formulated with sustainably sourced Aloe Vera.
- Formulated with 95% naturally derived ingredients. Tested for safety on the whole family, ages 3+.
- 100% Biodegradable Formula.
- Packaging made with 100% Post-Consumer Recycled Materials (PCR). "Clean Flake" Label Adhesive Technology.
- Worldwide events on Kiehl's Day, giving back to local communities.

While Kiehl's continues its journey as a socially responsible company, consumers can look forward to following the brand's positive solutions as their Kiehl's Made Better platform roll out across communication touch-points.



BIOOTHERM



Biotherm's Waterlovers Program: A Sustainable Commitment



Water covers 70% of our planet and 80% of all life forms - however less than 3% of our planet's blue heart is protected. The many threats to the world's oceans affect people's lives, including pollution, overfishing, marine habitat degradation, and the impacts of climate change.

For Biotherm, water is part of the brand's history. The legend of Life Plankton™ and its miraculous healing powers is embedded in the DNA of Biotherm. In 1952, Dr. Jos Jullien took a trip to the French Pyrenees, where he discovered a miraculous fountain in which Roman warriors would bathe after battle, in order to heal their wounds. Here, he discovered Life Plankton™, a unique natural ingredient exclusive only to Biotherm. After 8 years of research, Biotherm biologists developed a unique bio-fermentation process called Fermogenesis™, which allowed Life Plankton™ to be made 400,000 times more concentrated than that of its natural state. Healing is an integral part of Biotherm's DNA.

Therefore, it is not only the brand's mission to heal skin but it is also the brand's responsibility to contribute to planet protection through a sustainable commitment.

It is for this relationship that Biotherm's particular interest in preserving water converges with the growing global concern over the resource, now a critical issue for the planet. "Water is at the heart of Biotherm. Since 2012, we have been committed to the preservation of the earth's water and aquatic life through our Biotherm Waterlovers platform", explains David Fridlevski, Biotherm's International General Manager.

In 2012, Biotherm built the Waterlovers initiative, a program to minimise Biotherm's impact on water and aquatic life and contribute towards the protection of important marine areas. The initiative's mission is a source of inspiration that is integrated throughout the brand at every level, internally and externally: ingredients, formulae for skincare products, packaging,





consumer education and awareness, or philanthropy. Internally, Biotherm Waterlovers has developed a strong sustainable water plan, committed to more sustainable water use and environmental best practices in the production of existing and future products, from a minimum 90% biodegradability target for rinse-off formulas and 100% FSC certified



cardboard packaging to introducing naturally-derived particles in our scrubs. In 2017, Biotherm brought product sustainability to the next level with the launch of the brand's first eco-designed Waterlover Sun Milk, respectful of aquatic life. This product was the result of seven years of research conducted by a team of 20 scientists.

Biotherm's commitment to protecting the oceans is most evident in their partnership with Mission Blue since 2012, the same year as the inception of the Waterlovers program. Founded by the ocean's greatest spokeswoman Dr Sylvia Earle, Mission Blue is a global campaign to help protect the ocean's "Hope Spots", marine areas that are large and critical enough to restore ocean health. Since 2012, Biotherm Water Lovers has protected seven Hope Spots around the world.

In 2018, Biotherm announced its partnership with Tara Expeditions Foundation to financially support their efforts and research projects. Since 2003, the French non-profit organisation collaborates with international scientific institutions to study and understand the impact of climate and ecological change on the ocean and is committed to make preservation of the oceans a common responsibility for all of us. Thanks to Biotherm's support, Tara will be able to better understand the evolution of coral reefs in the context of climate and demographic changes.

The partnership with Tara Expeditions Foundation adds a new milestone to the brand's sustainability commitment.



CONCLUSION

Sustainability Leaves a Deeper Mark

As Generation Less become the dominant force in both the marketplace and the workforce, it is evident that sustainability is no longer a surface level issue. We have twelve years to make unprecedented changes to save our world, and Generation Less is empowered, willful and ready to use their voice - and wallet - to make progress.

There are elements of the sustainability sphere which have not yet been part of the mainstream, but they will. The beauty industry should anticipate a swell in natural ingredients and formulations in 2019. While we're all familiar with the negatives of 'Fast Fashion', 'Fast Beauty' is next. With a growing awareness of ingredients and the lack of transparency within the fragrance industry, a demand for more natural products will reign in the coming years.

Companies that increasingly use plant-based ingredients in their products will recognise that their capacity to innovate and sell inventory depends on biodiversity conservation. Consequently, this will call for efforts to improve supply chains not only because it is a consumer expectation, but because of the increasing scarcity of raw materials and the strong business case for responsible sourcing.

Powerful communication is a key opportunity for businesses - particularly for brands who are making social and environmental efforts. To effectively resonate with this new consumer, circular communication that involves them as part of an ongoing dialogue, is necessary. Through their feedback, people can widely influence the purchases of others and even have a hand in co-creating the brand's products.



We all know that sustainability is a confusing world and complex topic. Yet the greatest opportunity for brands is simplifying their messaging by talking about specific actions around areas that capture the hearts and minds of consumers, for example, animal welfare, plastic pollution, waste reduction, and more.

This volatile landscape has made it challenging but critical to understand what sustainable actions matter the most to consumers. Our Butterfly Mark helps simplify the connection between brands and consumers. The interactive Butterfly Mark showcases a brand's Positive Actions through a series of informative icons broken down by the business' areas of impact. When people interact with these icons, Positive Luxury collects qualitative insights on what sustainable actions create the most engagement amongst consumers.

With an average of over 20 million interactions across all our brands, the Butterfly Mark data reveals that the most engaging Positive Actions in all categories are Environmentally-Friendly Packaging, Equal Employment, and Fair Pay. Within the Beauty and Personal Care category, Environmentally-Friendly Packaging leads the way again, followed by Animal Testing, and Committed to Sustainable Palm Oil. For Fashion and Accessories, Cruelty-Free Materials, Equal Employment, and PVC Free are the three major areas of concern, while for the Living category, Environmentally-Friendly Packaging holds top spot. In Jewellery, Conflict-Free Diamonds and Equal Employment interest consumers the

most, and in Premium Drinks, Drinks Aware and Supports Philanthropic Causes reign top. For Travel, consumers pay more attention to Positive Actions such as Preserves Biodiversity, No Plastic Bottles, and Less Impact Leisure.

Purpose and sustainability have always been inherent to successful business. However, while brands are realising that taking action due to the imminent implications of climate change is vital, they are also realising that communicating their efforts is essential to attracting talent and, of course, meeting consumer expectation.

Luxury brands still have an opportunity to be leaders in communicating their social and environmental practices in a way that will inspire others to follow. Generation Less are passionate consumers and employees that are demanding respect — for themselves, for others and our world. If you give it to them, you will have an engaged employee and a loyal consumer; if you do not, they will find it elsewhere. In this changing world, trust and authenticity are keys to success.

**GENERATION LESS IS EMPOWERED
WILLFULLY AND READY TO USE
THEIR VOICE — AND WALLET — TO
MAKE PROGRESS.**

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