

BROWN THOMAS | ARNOTTS

2023 SUSTAINABILITY REPORT



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A NOTE ABOUT DATES IN THIS REPORT

In 2023, Brown Thomas Arnotts changed its Financial Year (previously 1 February to 31 January) to align with the calendar year (1 January to 31 December). Unless otherwise indicated, the figures in this report relate to FY23 (1 January 2023 – 31 December 2023). Dates for reporting years indicated in this report are on the right.

FY23: 1 January 2023 – 31 December 2023
FY22/23: 1 February 2022 – 31 January 2023
FY21/22: 1 February 2021 – 31 January 2022

BROWN THOMAS ARNOTTS' POSITIVE CHANGE SUSTAINABILITY PROGRAMME

Positive Change is our purpose-led sustainability programme which addresses the focus areas, material topics and key sustainability challenges faced by our business.

- OUR VISION** Reinvent Retail
- OUR PURPOSE** Enriching Our Customers' Lives
- OUR VALUES** We Go Above and Beyond
We Drive Creativity and Innovation
We Do the Right Thing

Our Positive Change Sustainability Programme is built on **three impact pillars** which guide our programme forward.

 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">BELIEVE</p>	<p>BELIEVE</p> <p>Inspiring sustainable behaviour and supporting our People, Customers, Community and Planet.</p>
 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">TRANSFORM</p>	<p>TRANSFORM</p> <p>Working to transform our business by introducing new business models, sourcing more sustainable materials and using our influence to drive industry change with our suppliers and brand partners.</p>
 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">ACT</p>	<p>ACT</p> <p>Acting to tackle the impact of our business by reducing our carbon footprint and minimising packaging and waste.</p>



A MESSAGE FROM OUR CEO

It is my pleasure to share with you Brown Thomas Arnotts' third annual Sustainability Report. This report summarises our performance against our Positive Change strategy in the year ending 31 December 2023.

For nearly two centuries, Brown Thomas and Arnotts have been at the forefront of creating exceptional retail experiences, with Brown Thomas celebrating 175 years this year and Arnotts proudly marking more than 180 years of enriching our customers' lives. Our rich legacy is built on a foundation of trust, quality, and exceptional service. As we look to the future, sustainability is not just a goal but the very way we do business, ensuring that we can continue to play an important role in our customers' lives for the next 175 years and beyond.

Our sustainability journey is driven by our incredible team, whose dedication and commitment are the bedrock of our success. They help to ensure that we operate sustainably, ethically, and with integrity, propelling our business forward while staying true to our core values. Their efforts are reflected in the numerous initiatives and milestones highlighted in this report.

This year, we have made significant strides in reducing our environmental impact, bringing new business models to the forefront, and fostering a culture of innovation and responsibility. However, we recognise that there is still much to be done. We are committed to continuous improvement, setting ambitious targets, and holding ourselves accountable to the highest standards.

As you delve into the details of this report, I hope you will share our optimism and determination. Together, we will continue to drive our business forward sustainably and ethically, ensuring that we deliver Positive Change for future generations.

Sincerely,

20 November 2024

2023 IMPACT IN NUMBERS



CIRCULARITY & CONSCIOUS CONSUMPTION

Facilitated **1,988** pieces of furniture recycled

Sold **39,206** refills across Beauty & Living

Sold **48,456** items made from at least 50% recycled materials

EQUITY, DIVERSITY & INCLUSION

84% of team members say that BTA actively supports inclusion in the workplace (▲4% on 2022)

SUSTAINABLE PRODUCTS & MATERIALS

Added over **8,960** products to our Sustainable Edit

Increased the number of products added to the Sustainable Edit by over **104%**

Increased revenue generated from sustainable products by **18%***

CLIMATE ACTION

Reduced our Scope 1 & 2 emissions by **23.2%** vs baseline FY18/19

REDUCING WASTE

Sold over **17,600** units of our reusable gift wrap tote bags

LIVELIHOODS & ETHICAL SOURCING

Obtained Self-Assessment Questionnaires from **57%** of our top 155 brands

- 2008** ● Phased out products made from **FUR**
- 2010** ● Launched **CREATE** to encourage and promote Irish design
- 2016** ● Phased out **MICROBEADS**
- 2018** ● Launched our **POSITIVE CHANGE** programme
- 2019** ● Phased out **SINGLE-USE PLASTICS** from our beauty halls
- Launched our **SUSTAINABLE EDIT**
- 2020** ● Became the first retailer in Ireland to **SET SCIENCE-BASED TARGETS**
- Launched our first **PRE-LOVED** offering
- 2021** ● Phased out **EXOTIC SKINS**
- Signed the **CLIMATE PLEDGE**
- Launched our **EDI BOARD**
- Phased out **PLASTIC-BASED GLITTER** from our beauty halls
- 2022** ● Opened **BROWN THOMAS DUNDRUM** built in line with our Green Build Guidelines
- 2023** ● Awarded **SUSTAINABILITY TEAM OF THE YEAR** at Ireland's Green Business Awards 2023
- Brown Thomas Dundrum achieved **FITWEL BUILT CERTIFICATION**

Brown Thomas Arnotts Limited (trading as Brown Thomas and Arnotts) is the business behind two of the most iconic brands in Irish retail, Brown Thomas and Arnotts. We are part of the Selfridges Group.

As one business, we have a shared vision and purpose. We are part of one of the world's leading collections of luxury omnichannel retailers, which includes Selfridges in the UK and de Bijenkorf in The Netherlands.

We have always put people at the heart of our business and our aim is to cultivate retail environments that are conscious, considerate and community-focused.

Through our physical and online presence, we put the customer experience and innovation at our core by offering inspirational shopping destinations to excite and inspire.

OUR STORES & OPERATIONS



OUR PEOPLE

1,200 - 1,500

team members directly employed by us*

3,000 - 4,000

people work with us via agencies, concessions, service suppliers, contractors and consultants

OUR CUSTOMERS

Over **16.5 million** customers visited our physical stores and more than **367,000** customers visited our online stores and Encore Loyalty apps, in 2023

OUR SUPPLY CHAIN

Direct Suppliers

7 private label suppliers
Suppliers we work with directly to source private label products

Over **30** priority Goods & Services Not for Resale (GSNFR)**

Indirect Suppliers

Over **1,600** own bought brand partners

Over **1,100** concessions and consignment brands

(Brand partners who we buy product from to sell in our stores or on our digital platform)

(Brand partners who sell their products in our stores or on our digital platform)

*Due to the seasonal and flexible nature of retail, the number of people we employ varies throughout the year. Our average number of direct employees is 1200 and peaks during Nov – Dec to 1500.

**Suppliers that provide goods or services that we use within our business and do not sell, prioritised based on spend, or perceived "risk" based on product/service provided.

Sustainability has been a key thread in our business for decades, from banning fur and single-use plastic bottles, to becoming the first retailer in Ireland to set science-based emissions targets.

The challenges facing retailers and our environment continue to grow – we recognise that they are often complex, severe and urgent. Notwithstanding this, we remain determined and focused on taking action in areas where it will have the most significant impact on our industry, the future health of our planet and those living and working in our supply chains.

Being a sustainable business is never achieved once and for all. It involves managing multiple, and often competing, agendas. To guide and focus our efforts, we have worked collectively with our sister retailers and Selfridges Group to identify the issues that will drive our business forward while making real progress against the biggest challenges of our time. We refer to these material issues as our five imperatives.

OUR MATERIAL ISSUES

In 2021, we worked with our sister retailers across the Selfridges Group to conduct a materiality assessment through an analysis and benchmarking of ESG reporting standards, best practice sustainability reports and industry trends. A full range of topics were identified before defining a set of priority sustainability issues for the group, the extended value chain and the outside world. These issues are now framed as five imperatives that underpin our Positive Change programme and drive the wider Group sustainability strategy.

LOOKING AHEAD

In 2024 we plan to conduct a Double Materiality Assessment (DMA) aligned to the 12 ESRs standards in preparation for the Corporate Sustainability Reporting Directive (CSRD). The DMA will determine disclosures material to our business for reporting under CSRD. We will be required to publish a report in 2026.

THE FIVE IMPERATIVES ARE:

- CLIMATE
- MATERIALS
- LIVELIHOODS
- WORKPLACE
- CIRCULAR

For each of our five Imperatives, we have long-term objectives in place, backed by plans and targets, executive ownership and systems of accountability. The table below summarises our imperatives and where they sit in alignment with the UN's Sustainable Development Goals, together with the areas of focus within our business to make progress.

IMPERATIVE		SUSTAINABLE DEVELOPMENT GOALS	AREAS OF FOCUS
 <p>CLIMATE</p>	<p>Responding to the climate crisis and becoming a Net Zero Business</p>	  	<ul style="list-style-type: none"> • Sourcing 100% Renewable Electricity • Science Based Targets and commitment to becoming Net Zero by 2040 • Carbon Reduction Roadmap
 <p>MATERIALS</p>	<p>Switching to environmentally low-impact and responsible materials</p>	  	<ul style="list-style-type: none"> • Understanding our materials • The Sustainable Edit • Removing unnecessary single use plastics • Sourcing FSC certified paper & cardboard
 <p>LIVELIHOODS</p>	<p>Promoting decent work and healthy livelihood</p>	  	<ul style="list-style-type: none"> • Responsible Sourcing programme • Modern Slavery Statement • Ethical Trade Requirements • Partnerships with industry leaders
 <p>WORKPLACE</p>	<p>Creating a rewarding and inclusive workplace</p>	  	<ul style="list-style-type: none"> • Gender Pay Gap Reporting • Diversity & Inclusion programme • Ibec Keepwell Mark accredited
 <p>CIRCULAR</p>	<p>Mainstreaming new circular business models</p>	 	<ul style="list-style-type: none"> • Circular Business models such as pre-loved and refillable products

SUSTAINABILITY GOVERNANCE

Sustainability at Brown Thomas Arnotts is overseen by a Sustainability Executive Group made up of our Executive Directors and all department and store leads. This steering group has ultimate responsibility for measuring, analysing and driving our sustainability agenda forward.

Our dedicated Sustainability Team lead and project manage our programme and work to embed sustainable practices across our business. This team set our direction and track progress against the Stairway to a Sustainable Future (our dashboard of sustainability targets which are reported on monthly).

Our Positive Change ambition is also integrated into all decision-making, with each department having specific impact-focused objectives.



EXTERNAL PARTNERSHIPS & ACCREDITATIONS

We believe that collaboration is key to sustainable progress. We work with external experts, NGOs, charity partners and recognised certification bodies to supplement our knowledge and challenge our approach to deliver on our Positive Change strategy.

CARBON, WASTE, WATER & ENERGY



CHARITY & VOLUNTEERING



EDI & WORKPLACE



SOURCING



INDUSTRY AWARDS



SUSTAINABILITY TARGETS & METRICS

Under our Positive Change Sustainability Strategy, we identify targets and metrics annually to monitor our progress under each impact pillar.

To view our targets and performance for last fiscal year, please refer to our [FY22/23 Sustainability Report](#)

PILLAR	ACTIVITY AREA	GOAL	MEASURE	PERFORMANCE IN 2023
BELIEVE	Equity, Diversity & Inclusion	Create an inclusive and diverse workforce	Publish our 2023 Gender Pay Gap report with a plan to reduce our Gender Pay Gap in 2024	Our second Gender Pay Gap Report was published in September 2023. We are on track to further reduce the Gap in 2024
	Enabling Sustainable Lifestyles	Integrate sustainability into the customer experience	Percentage of total sales coming from our Sustainable Edit	12.5%
TRANSFORM	Circularity	Cultivate circular business models	Achieve an increase in sales of across Circular business models	+65%*
	Managing Ethical Trade Risk	Manage ethical trade risks	55% of top 155 brands to complete a Self-assessment Questionnaire (SAQ) (or SAC Brand Retailer Module)	57% of our top 155 brands completed SAQ or SAC BRM
ACT	Responding to the Climate Crisis and Becoming A Net-Zero Business	Reduce Scope 1 & 2 emissions	Achieve a 15% cumulative reduction in Scope 1 & 2 greenhouse gas emissions in line with SBT 2030 trajectory based on a FY18/19 baseline	23.2% reduction
	Greening Our Stores	Make our stores more sustainable	Achieve Fitwel Bulit certification for Brown Thomas Dundrum	Achieved a Fitwel 1-star rating for Brown Thomas Dundrum

*Figures reflect Financial Year ending January 31st 2023

We Go Above and Beyond.

Our BELIEVE pillar focuses on **inspiring sustainable behaviour** and supporting our people, customers, community and planet.

We believe that investing in our people, communities and partnerships will make a **positive contribution** to society and the communities where we live and work.

Initiatives under this pillar include:

- Investing in our People
- Equity, Diversity & Inclusion
- Supporting Communities: Charity & Volunteering
- Customers: Inspiring More Sustainable Lifestyles



INVESTING IN OUR PEOPLE

We firmly believe that a great customer experience starts with a great people experience. Our people lie at the heart of our business. Our ongoing aim is to nurture and develop the talent within our team and embed a culture where creativity and learning are valued.

To grow sustainably as a business, we must also support equitable outcomes across our organisation, including addressing our gender pay gap. Additionally, we must ensure that our benefits, programmes and policies reflect where our people are on their life or career path by offering inclusive supports that take a holistic view of their experience at Brown Thomas Arnotts.

KEY FOCUS AREAS

- Continue to **analyse our Gender Pay Gap data** with a view to narrowing the Gap further in FY23/24.
- Review and enhance our employee growth and progression with **a programme of Learning and Development training interventions** for all career levels.
- Continue to **evaluate our People policies** in line with industry best practice and **our Employee Opinion Survey**.

PROGRESS & HIGHLIGHTS

- ✓ Introduced the **BTA Career Structure**, a holistic framework designed to show clear progression and development paths and launched **Career & Capability Frameworks**.
- ✓ Introduced our **THRIVE Wellbeing programme** with monthly wellbeing events across the calendar.
- ✓ Published our **second annual Gender Pay Gap** report, recording a slight increase in our mean and median gender pay gaps (see information on following page).
- ✓ Over 400 team members participated in **training programmes across early, mid and senior careers** such as Leadership Management, Personal & Professional Effectiveness and Business Essentials. Other key training elements included onboarding initiatives, targeted skill development and ongoing learning opportunities focussed on enhancing individual capabilities as well as cultivating a workforce that is connected to our overarching business values.
- ✓ Began providing **complimentary feminine hygiene products** for our female team members across all locations.

NEXT STEPS

- Continue to expand our **career development and learning opportunities** through our BTA Career Structure and Career & Capability Frameworks.
- Undertake a **comprehensive review of reward, recognition and career development** in Brown Thomas Arnotts and implement new and improved programmes based on these findings.

BTA CAREER STRUCTURE

In 2023, we introduced the BTA Career Structure, a holistic framework designed to show clear progression and development paths. The Structure is supported by Career and Capability Frameworks, which are comprehensive learning and development programmes designed to facilitate self-directed learning grounded in our competencies.

EQUITY, DIVERSITY & INCLUSION

At Brown Thomas Arnotts, we focus on providing a workplace and customer environment that is welcoming and inclusive. Our Equity, Diversity and Inclusion (EDI) programme sits at the heart of this ethos.

We aim to offer a workplace and retail experience where diversity is not just present but celebrated. A place where our team members can fulfil their potential, are valued for their uniqueness, recognised for their talents and can truly be themselves. A place where our customers feel welcome, seen and valued.

EDI MATTERS WHEEL

Our EDI programme is structured around six 'EDI Matters' areas identified as core to our EDI ambitions: Gender, Age, Pride, Roots, Ability, and Family. These are set within our three main objectives: (1) to have an inclusive culture, (2) to be a leading voice for EDI and (3) to foster workforce diversity, which are in turn set within our Vision, Purpose and Values to ensure we prioritise key EDI focus areas and stay true to our principles.

THE IMPORTANCE OF PARTNERSHIPS

We continue to partner with the Irish Centre for Diversity and community organisations like Dublin Pride to strengthen our programme and ensure we are aligned to best practice.

PROGRESS & HIGHLIGHTS

- ✓ Retained our **Investors in Diversity Silver accreditation** and continued the process of pursuing Gold accreditation.
- ✓ Celebrated **Pride @ Brown Thomas Arnotts** with a months-long programme incorporating Learning & Development, Social Media, team engagement, and more.
- ✓ Published our second annual **Gender Pay Gap Report**. See below for further detail.
- ✓ **Reiterated our inclusive policies, allyship support resources, and zero-tolerance approach to discrimination or harassment** to team members in the wake of the November 2023 Dublin riots.
- ✓ Updated our **Team Discount Policy** to remove gendered language and references.

NEXT STEPS

- Achieve **Investors in Diversity Gold** accreditation and advance our EDI commitments.
- **Narrow our Gender Pay Gap** further in 2024.

UPDATE ON OUR GENDER PAY GAP REPORT 2023

We recorded small increases in both our median and mean gender pay gaps in 2023. While still low, our median gender pay gap increased slightly, 1.2% to 1.4%, and our mean gender pay gap increased 2.2% to 12.8%.

While this is not the result we would have wanted, we have seen promising progress in many areas and our data indicates that this increase was due to a once-off acceleration of payments related to the completion of the sale of the Selfridges Group in 2022.



COMMUNITY: CHARITY & VOLUNTEERING

We have always been passionate about supporting charity partners that are aligned to our team members' and customers' interests. Our team members truly lie at the heart of our programme and vote for their chosen charity partners, with the top 3 becoming our corporate partners for the coming term.

We had a busy and successful 12 months of team and customer fundraising events and initiatives, as well as team beach clean volunteering days.

KEY FOCUS AREAS

- Engaged our team in a **business-wide vote** to nominate their chosen corporate charity partners for the coming term.
- Continued to support our **chosen charity partners** via fundraising events and initiatives and volunteering activities throughout the year.

PROGRESS & HIGHLIGHTS

- ✓ Over **€113,000** was raised through team and customer fundraising, and match funding support to our charities.
- ✓ More than **70 team members** actively participated in our fundraising activities.
- ✓ Completed **45 volunteering days** across our team volunteering initiatives.

CHARITY & VOLUNTEERING HIGHLIGHTS

Some key fundraising moments during the year included **Pieta Darkness Into Light**, which was warmly supported by our team members. A total of **€14,000** was raised through team activities like Cyclethons, bake sales, guided meditations and sponsored runs.

Christmas Fundraising raised over **€53,000** through generous donations from our team and customers, including proceeds from our traditional **Santa's Grotto at Arnotts**, in-store customer fundraising, and team fundraising initiatives like bake sales and Christmas jumper days.

BEACH CLEANING WITH DUBLIN CITY COUNCIL

In an effort to tackle waste and plastic pollution in our oceans and waterways, we partnered with Dublin City Council to organise clean-up days on beaches at Portmarnock and Sandymount. Our teams cleaned litter from the beaches and surrounding public areas, as well as the car parks and green areas, working to remove as much loose waste as possible so as to prevent it from entering the ocean.



INSPIRING CUSTOMERS TO LIVE MORE SUSTAINABLE LIFESTYLES

How do we keep customers inspired and engaged? By providing novel ways to shop, and by sharing detailed and transparent sustainability information on the products that we buy and sell, to make the sustainable choice the easiest choice.

We've been conducting customer sustainability research since 2019 to understand behaviour change taking place in response to our sustainability initiatives, and to hear what areas of sustainability concern or excite our customers most.

Our research clearly indicates that sustainability significantly influences customer purchasing decisions*, yet many find it challenging to identify more sustainable products**, while less than a third of customers surveyed in 2023 were aware of our sustainability programme. These results demonstrated a need for more effective and impactful sustainability communication.

KEY FOCUS AREAS TO SUPPORT CUSTOMERS TO LIVE MORE SUSTAINABLE LIFESTYLES

- Increase the number of sustainable products available to our customers.
- Increase the proportion of sales across our sustainable product offer (our 'Sustainable Edit').
- Create engagement moments for our customers and wider stakeholders across all channels.
- Conduct further research to establish where sustainability sits as a purchase-driver.

PROGRESS & HIGHLIGHTS

- ✓ Held our **inaugural Positive Change Festival** in our Dublin stores, with a series of sustainability-focussed events around the theme 'The Power of Positive Change'.
- ✓ **18%** increase in sales of our Sustainable Edit products***
- ✓ **8,966** products added to the Sustainable Edit, a 104% increase vs FY22/23.
- ✓ Conducted our fifth annual **Customer Sustainability Survey**.
- ✓ Introduced a **message on fill receipts** informing customers what they spent on Sustainable Edit products. Sustainable Edit products are highlighted using a double asterisk.
- ✓ Conducted an annual review of **our Sustainable Edit criteria** to ensure alignment to best-in-class third-party certifications and retail industry best practice.

NEXT STEPS

- ✓ Increase our Sustainable Edit sales by 10% vs FY23.
- ✓ Sustain or increase the number of Sustainable Edit products available to our customers.
- ✓ Conduct our annual Customer Insights Sustainability Survey.

OUR INAUGURAL POSITIVE CHANGE FESTIVAL: THE POWER OF POSITIVE CHANGE



Our first Brown Thomas Arnotts Positive Change Festival took place in April 2023, in recognition of World Earth Day.

To bring our programme to life, we hosted a series of in-store events for the first time across our flagship stores. Most notably we welcomed **British Vogue's Sustainability Editor and author Dana Thomas** to Brown Thomas Dublin, where she joined a panel discussing 'The Power of Positive Change'.

The Ordinary hosted a skincare workshop at Arnotts, and we also welcomed **Dr. Helena McMahon, founder of Seabody**, for a wellness brunch in Hugh Brown's Restaurant, Brown Thomas Dublin.

We highlighted Sustainable Edit products in-store using green signage and took over our website and social media channels to drive awareness and encourage our customers to shop more sustainably.

During the Festival we had increased levels of engagement across our social channels, as well as enhanced sales across our circular services - particularly Rental - which increased by over 600% vs the week prior and recorded a 10% uplift in Sustainable Edit sales more broadly compared with the previous year over the same period.

* 81% of customers surveyed are influenced by sustainability when making purchasing decisions (Source: Brown Thomas Arnotts' Customer Sustainability Survey October 2023)
** Customers surveyed said that the main barrier preventing them from shopping responsibly sourced products is not being able to identify them.
*** Versus FY22/23

We Drive Creativity and Innovation.

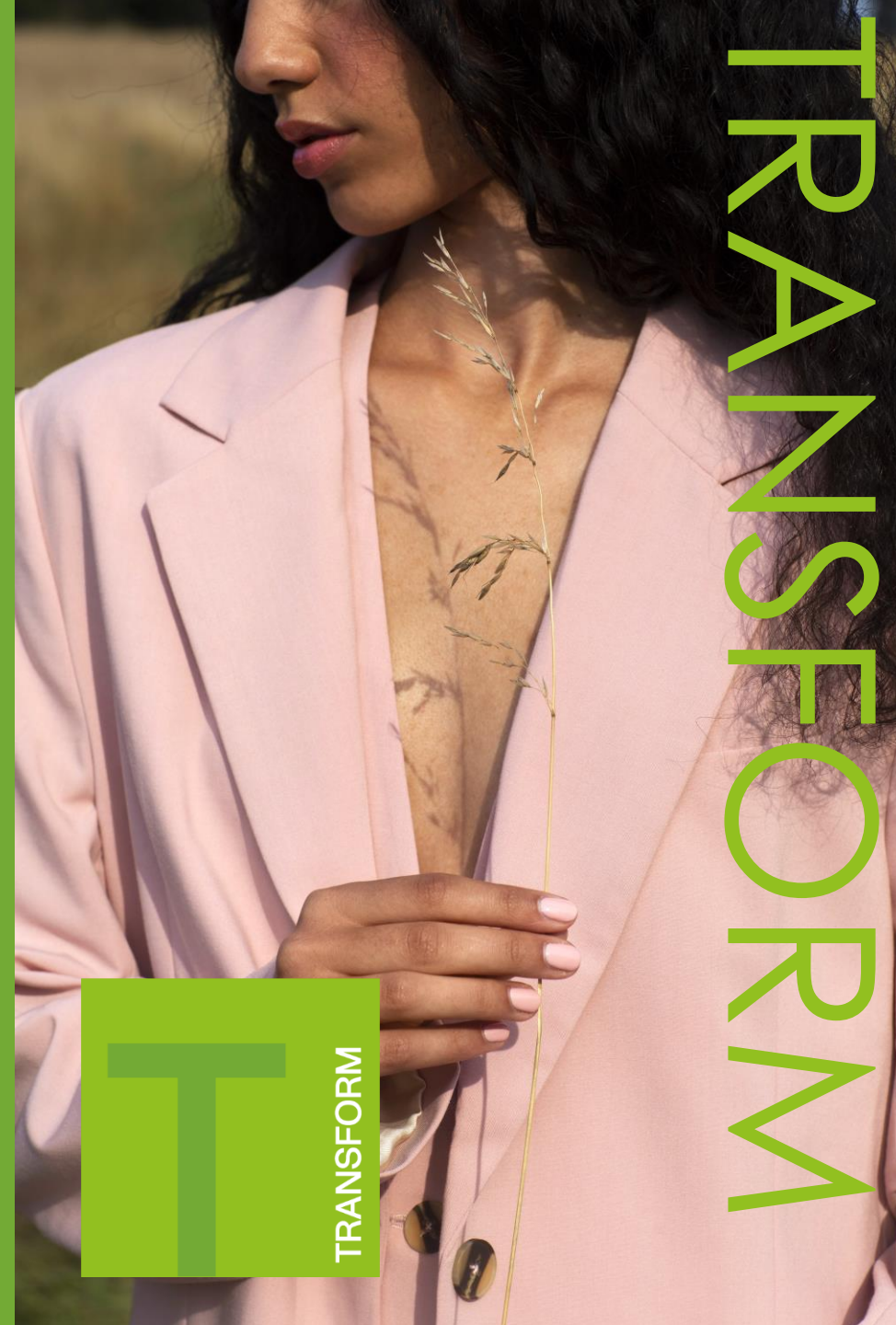
Our TRANSFORM pillar focuses on sustainable, innovative and future-thinking actions to cater for the customer and retail environment of the future.

Initiatives under this pillar include:

- Circular Business Models
- Sourcing More Sustainable Materials
- Supporting Local Irish Talent
- Livelihoods: Promoting Decent Work And Healthy Livelihoods Across Our Value Chains



TRANSFORM



CIRCULAR BUSINESS MODELS

The integration of circularity in our business continues to be central to our plan to reinvent retail and acted as a key area of growth over the past three years. We know that we must shift our business models and embed circularity to reduce our reliance on finite resources, to meet our carbon commitments and to support our journey to net zero.

We want to support our customers' desire to shop more sustainably by providing services such as repair; rental; offering products that can be refilled or made from recycled materials; and offering pre-loved or vintage options so that we avoid the need for something 'new to you' to always be something 'new'.

Each year, we incorporate our learnings to elevate and expand our circular offerings to our customers. As a retailer, we aim to take responsibility both for waste generated through our operations directly, as well as potential waste at the end of life of products sold in our stores.

PROGRESS & HIGHLIGHTS

- ✓ **65%** increase in sales from Circular business models.
- ✓ Strengthened our resale of pre-loved accessories through our partnership with **Designer Exchange**, hosting a series of pop-ups across stores in Cork, Limerick, Galway and Dundrum.
- ✓ **Kindfolk** returned to Arnotts and Brown Thomas Cork, facilitating the buyback and sale of preloved communion wear.
- ✓ Continued to grow our offering of **refillable and refill products** across beauty and homewares (such as candles).
- ✓ Participated in Design Week Ireland's Circular Workshop in association with The Forward Project and NCAD, challenging NCAD students to consider ways to elevate circular business models making them more desirable, accessible and reaching a wider range of customers.

NEXT STEPS

- ✓ Continue to develop and evaluate our Circular models.
- ✓ Increase sales generated from Circular products e.g. pre-loved handbags, refills and products made with recycled materials.

2023 CIRCULAR HIGHLIGHTS

- Sold **39,206** refills
- Sold **330** pre-loved items
- Rented **224** items
- Ran **7** pop-ups with our pre-loved partner Designer Exchange in our Dublin and regional stores
- Facilitated the recycling of **1,988** pieces of furniture & mattresses
- Sold **48,456** items made from at least 50% verified recycled material
- Facilitated multiple **repairs** through our brand partners and luxury boutiques

What our customers say*...

16%

bought a refillable product

72%

are interested in buying pre-owned accessories

33%

repaired or refurbished their fashion or accessories

61%

are interested in using refill stations in our stores

* Source: Brown Thomas Arnotts' Customer Sustainability Survey October 2023.



Eve O'Reilly
Winner of the 2023 Brown Thomas
Designer to Watch Bursary Award in
partnership with NCAD.

SUPPORTING LOCAL IRISH TALENT

We are committed to supporting our community and championing local talent. Not only is it important to us, it is important to our customers. In our most recent Customer Sustainability Survey, our customers chose **'supporting local Irish-made products and suppliers'** in the top 3 initiatives or practices we should prioritise.

CREATE

CREATE acts as a platform for Ireland's brightest emerging designers to grow their business, their customer base and gain valuable insight into the world of retail. **CREATE 2023** marked the thirteenth anniversary of CREATE. For six weeks, CREATE showcased the work of 28 emerging designers in our flagship Dublin store and online. From ready-to-wear, shoes, accessories, and millinery, to jewellery, hats and homewares, 2023's installation again put a spotlight on the extraordinary mix of unique and diverse design talent in Ireland. Eve O'Reilly was the winner of the **Brown Thomas Designer to Watch Bursary Award** in partnership with NCAD. Eve displayed her collection in store and received a bursary of €4,000 alongside mentorship from the Brown Thomas executive team to support the development of her business.

PITCH

First launched in 2021, the annual 'Pitch' competition invites Irish start-ups and entrepreneurs to pitch for an opportunity to retail in Arnotts and online during the festive period. The five shortlisted finalists are mentored by an expert judging panel with the ultimate winner of Pitch securing a €10,000 business development fund. Our Pitch '23 winners was announced as KALO, a vegan leather accessories brand founded by duo Kate O'Neill and Michael O'Malley.

SUSTAINABLE EDIT

One of our Sustainable Edit categories is dedicated to Irish-made products; and products where at least 50% of the materials used are sourced in Ireland.

LOCAL ARTISTS & SUPPLIERS

Our Store Design and Event teams work with a myriad of local businesses, talents and suppliers to bring the Brown Thomas Arnotts experience to life; sourcing local materials for shop-fits, food producers, artists, photographers, videographers and many more.

In 2023, **Leah Hewson** acted as our **Artist in Residence at Brown Thomas Dundrum**. Leah opened her residency with a very special piece where she worked alongside our creative team, to develop her work into visual merchandising installations to be enjoyed by our customers.



UNDERSTANDING OUR MATERIALS

We recognise that a significant portion of our overall impact on people and planet lies within the cultivation and manufacturing of the materials used across our business; in the products we sell, in our shop-fits and our packaging. As a multi-brand retailer, we neither own nor operate production or manufacturing facilities; we rely on trusted brand partners and suppliers to provide us with products and services.

Since 2020, we have worked extensively to identify and map the most impactful and widely-used materials across our business; in the products we sell, in the packaging we use, and in our shop-fits. Our ambition is to increase the percentage of these materials coming from preferred certified sources. We proactively engage with our brand partners and suppliers to:

- Improve transparency across the supply chain;
- Accurately capture material composition details of the products sold in our business; and
- Understand and increase the volume of products made from certified lower-impact materials in our business.

KEY FOCUS AREAS & DEVELOPMENTS

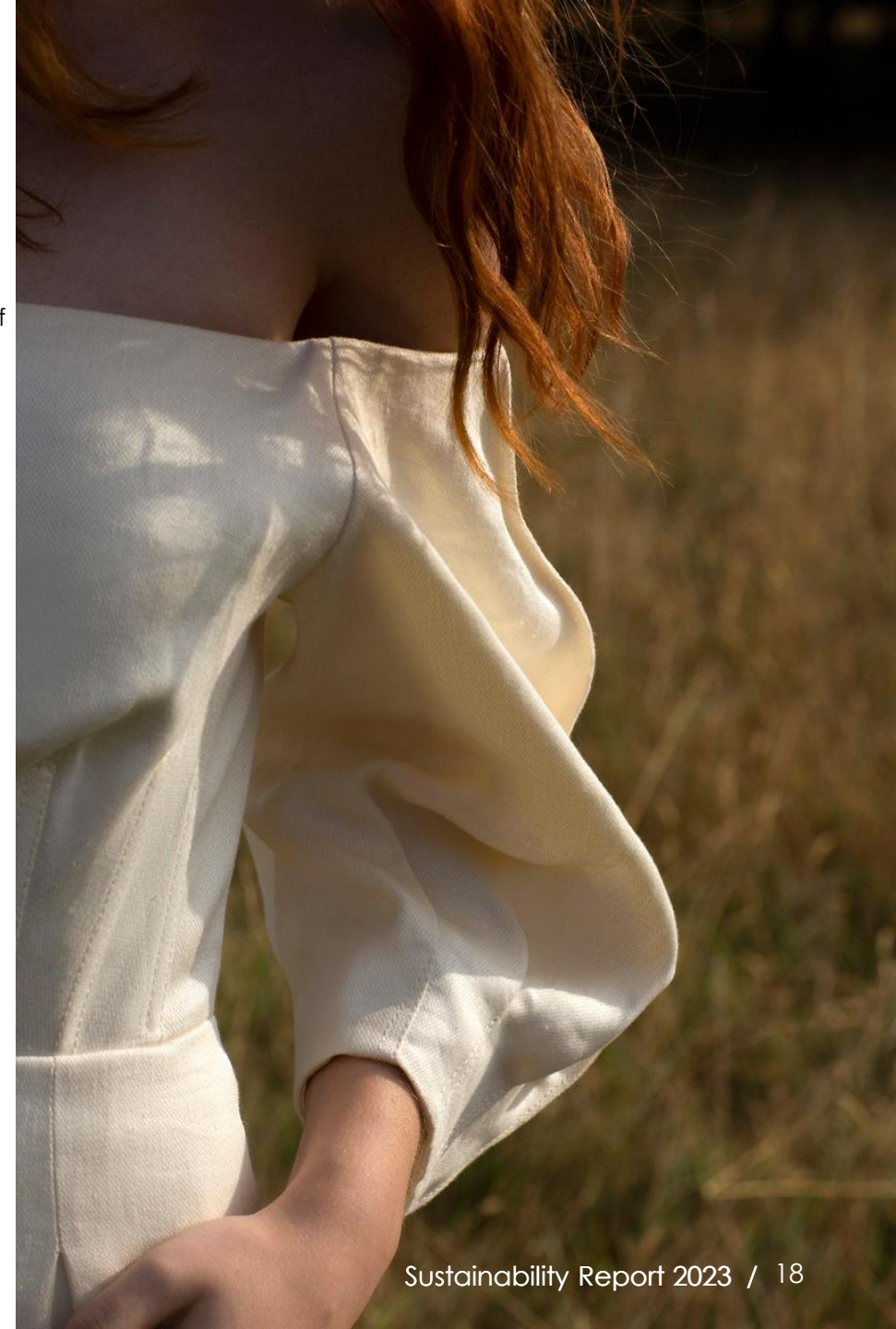
- Worked with **internationally recognised certification bodies and NGO partners** to identify 7 priority materials in our products: cotton; leather; down and feathers; wood and paper; man-made cellulosic fibres; synthetic fibres, such as polyester and nylon; and palm oil.
- Identified **robust criteria** for preferred materials to address key environmental and social issues associated with these materials, including carbon; water; land use; biodiversity; and waste.
- Developed **internal targets** to tackle single-use plastic packaging across our business.
- Invested in an **internal tracking system** to identify the materials coming into our business across our own-bought product portfolio.

PROGRESS & HIGHLIGHTS

- ✓ Improved **transparency** across our own-bought portfolio and expanded the range of materials tracked in our business.
- ✓ Made improvements to our **internal tracking system** to automatically track the volumes of preferred certified materials verified through our Sustainable Edit process.
- ✓ Established a **baseline volume of certified lower-impact materials** across our own-bought portfolio.
- ✓ Rolled out a project focussed on **beauty ingredients** to map the volumes of palm oil across our Beauty business.
- ✓ Conducted research and worked with our key Beauty brand partners to understand their palm oil sourcing strategies.

NEXT STEPS

- Increase the **volume of products verified** through our Sustainable Edit process made from certified lower-impact materials across our own-bought product portfolio vs FY23/24.
- Continue to make improvements across our systems and processes to improve **composition data capture**.
- Continue to **engage our brand partners and suppliers**, particularly those where we have significant gaps in understanding.



THE SUSTAINABLE EDIT

The Sustainable Edit is a curation of products across fashion, beauty, homewares and food which meet robust sustainability criteria and fall into one or more of our eight categories.

Our in-house Sustainability team works closely with our Buying team, brands and concession partners to ensure that each product is individually vetted against our criteria, and the appropriate evidence is reviewed before a product is listed on the Edit. This allows customers to shop with confidence, knowing that products on the Sustainable Edit have been verified to meet recognised standards.



STEP 1: IDENTIFICATION OF SUSTAINABLE PRODUCTS

Our brands complete a product validation form highlighting the products within their range that meet our strict criteria.

They then share relevant evidence (e.g. organic cotton certification for products made of organic cotton).



STEP 2: ASSESSMENT & EVIDENCE GATHERING

Our Sustainability team review the product validation form along with the evidence provided to verify product claims against our Edit criteria.

If required, our team request additional evidence or clarification from our brands to substantiate claims.



STEP 3: APPROVAL & UPLOAD TO SUSTAINABLE EDIT

Once approved, products are highlighted through our online Sustainable Edit using our Positive Change globe.

Sustainability information is also added under 'product details' to communicate why a product has been included as part of our Edit.

THE SUSTAINABLE EDIT

There are eight categories under which a product can qualify for our Sustainable Edit. A product must satisfy our strict criteria* for at least one category to qualify for inclusion in the Edit.

Since its launch in 2019, the Edit has continued to grow year on year. In 2023, we added over 8,960 products to our Edit, an increase of over 100% versus FY22/23.

SUSTAINABLE EDIT CRITERIA

LOW IMPACT MATERIALS

- Products made from materials with a lower environmental impact (for example: lower toxins, more durable, recycled, natural dyes), such as organic and/or recycled materials.
- 50% or more of the product must contain a low-impact material to meet our criteria.

LOW IMPACT PRODUCTION

- Products where materials have been made in facilities designed to have a lower impact on the environment, such as where water, chemical or energy saving production processes are used.
- For example, leather from a rated Leather Working Group (LWG) tannery ensures high environmental standards during the manufacturing process.

ANIMAL WELFARE

- Cosmetic products not tested on animals accredited to a recognised third-party standard.
- Products containing animal-derived materials (such as wool and feathers) which have been responsibly and ethically sourced.
- 50% or more of the product must contain responsibly and ethically sourced animal-derived materials to meet our criteria.

CONSIDERED INGREDIENTS

- Cosmetic products made using organic or sustainably sourced ingredients accredited to a recognised third-party standard.
- Products that are 'free from' certain chemicals and preservatives, such as parabens and sulphates.

VEGAN

- Products that contain no animal derivatives and are accredited to a recognised third-party standard.

COMMUNITY AND ETHICS

- Brands that demonstrate a clear commitment to social and environmental best practice are contained in this category. For example, brands who are leading members of the Fairwear Foundation.

SUSTAINABLE LIFESTYLES

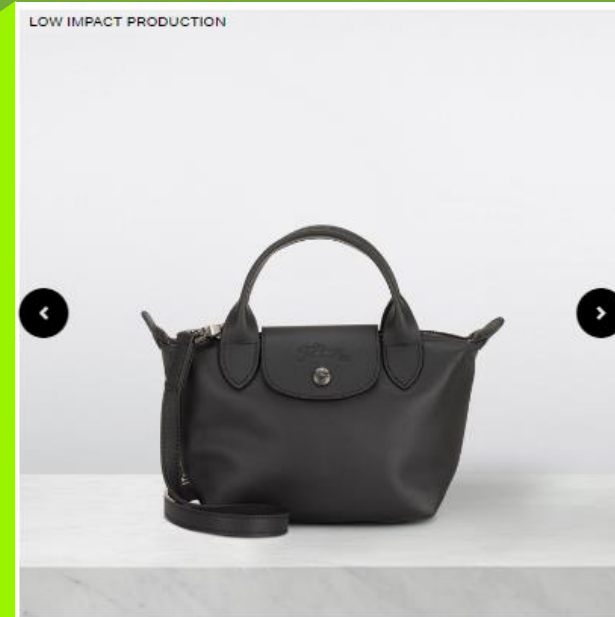
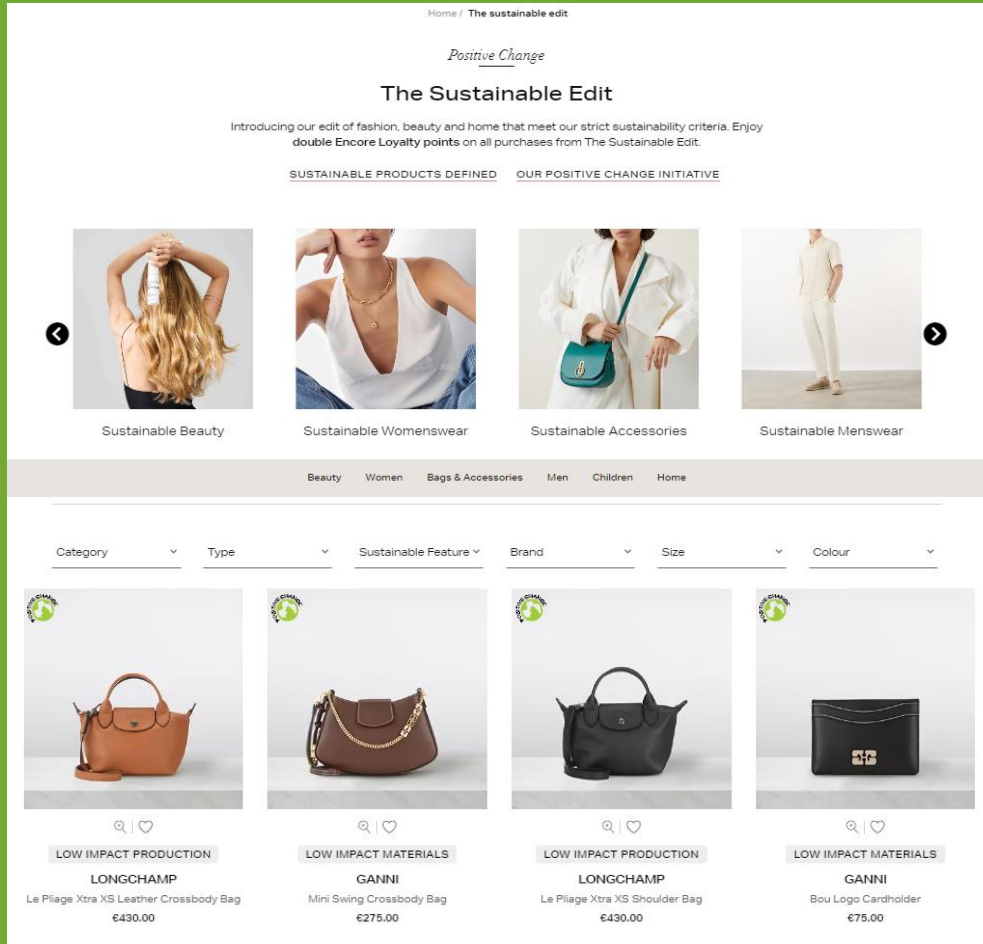
- Products designed to promote more sustainable lifestyles and are designed to reduce waste and a shift away from single-use.

LOCALLY SOURCED AND IRISH

- Focused on supporting local artisan producers and local communities.
- Products made in Ireland or where at least 50% of the product's materials are made in Ireland.

* Our criteria is reviewed annually to ensure we are aligned to industry best practice. Read more about our Sustainable Edit criteria here: [Brown Thomas](#) and [Arnotts](#)

CUSTOMERS: INSPIRING SUSTAINABLE LIFESTYLES



LOAD MORE

LONGCHAMP
The Sustainable Edit

Le Pliage Xtra XS Shoulder Bag

€430.00
Split your purchase into 3 payments of €143.33 (0% APR). **Klarna**. [Learn more](#)

SIZE : ONE SIZE

1

ADD TO BAG
Join Encore Loyalty to earn 430 points

ADD TO WISHLIST | CHECK STOCK IN-STORE

Nominated day delivery
Pick your delivery date and time slot up to 28 days in advance. Dublin only.

POSITIVE CHANGE
Part of our Sustainable Edit
We place sustainability at the heart of what we buy and sell which is why we'll reward you with **double loyalty points** when you shop sustainably. [Find out more](#)

Details

- Two top handles, flap with snap-button closure, top-zip fastening, one main compartment, one interior pocket with zip fastening, one interior flat pocket, detachable and adjustable shoulder strap, gunmetal-tone hardware, logo design, smooth finish
- Composition: 100% leather
- Dimensions: H 14 x W 17 x D 10cm. Handle drop: 8cm. Strap drop: 30-65cm
- Colour: Black
- Sustainability: The leather for this product was produced in environmentally responsible tanneries.

LIVELIHOODS:

PROMOTING DECENT WORK AND HEALTHY LIVELIHOODS ACROSS OUR VALUE CHAINS

ETHICAL TRADE RISKS IN OUR VALUE CHAINS

Our global supply chains cover many countries and industries, some of which have a higher likelihood of human rights risks such as modern slavery, child labour, and poor working conditions. Since we don't have direct control over these supply chains, it's essential that we collaborate closely with our brands and suppliers to ensure that ethical standards are maintained, as this is where the greatest human rights risks lie.

All supply partners are expected to meet our Ethical Trade Requirements (ETR's) as applicable to the goods and services they provide.

A RISK-BASED APPROACH

Over the past 4 years we have worked closely with our sister retailers across the Selfridges Group, Selfridges & Co. and de Bijenkorf, to enhance our shared due diligence process. We recognise that together we can increase engagement and proactively work to mitigate risks across our shared value chains. We take a risk-based due diligence approach, sending our Environmental & Ethical Self-Assessment Questionnaire (SAQ) to selected brand partners and suppliers.

The information gathered allows us to create a detailed risk profile of our supply chains and take appropriate actions to mitigate risks or address any issues. We follow a standardised set of questions across the Group, and use a consistent method for reviewing, rating, and responding to the answers provided by our brand partners and suppliers. We request SAQs to be completed every 2 years to ensure the information provided remains accurate and up to date.

PRIVATE LABEL SUPPLIERS

We work particularly closely with our direct suppliers for our private label collection of bedding, Karla Bree, to improve traceability, ensure ethical trade standards are upheld and increase the sourcing of certified lower impact materials. Our direct suppliers complete our SAQ every 2 years and share up-to-date independent third-party factory audits.

We hold regular sustainability and ethical trade review meetings and set collaborative and incremental focus goals and targets around materials, factory ethical trade and environmental improvements. Through this forum, we have achieved significant progress with our suppliers. As members of Better Cotton, we are committed to increasing the percentage of cotton sourced in our collections through the Better Cotton mass balance programme, year on year.

PROGRESS & HIGHLIGHTS

- ✓ Further enhanced our Group Self-Assessment Questionnaire (SAQ) to provide us with stronger visibility of our brands. We developed and launched a new internal IT platform to streamline the data collection and analysis process, allowing us to identify and address potential risks more effectively.
- ✓ Obtained Self-Assessment Questionnaires from 57% of our top 155 brands in 2023 (vs 55% target).
- ✓ Conducted a re-baselining exercise of our top brands to ensure we are targeting and capturing SAQ's from all high value and high-risk brands and suppliers. This exercise is conducted annually.
- ✓ Sourced 17.2 metric tonnes of more sustainable cotton through the Better Cotton mass balance programme in our private label. This accounted for over 63% of our cotton sourced.
- ✓ Sourced 100% certified down in our private label.
- ✓ Published our annual Modern Slavery Statement.

NEXT STEPS

- Continue to enhance traceability across our direct supply chains.
- Continue to engage our key brand partners and suppliers to increase the number of completed Group Self-Assessment Questionnaires.
- Actively monitor our SAQ IT platform and address any critical risks presented.
- Continue to source more sustainable cotton through the Better Cotton initiative with the view to increase year on year.

ACT

We Do the Right Thing.

Our ACT pillar is about taking responsibility for the impact our business has on our planet as we work towards a net zero future.

Initiatives under this pillar include:

- Responding To The Climate Crisis And Becoming A Net Zero Business
- Our War on Waste
- Sustainable Packaging



CLIMATE: RESPONDING TO THE CLIMATE CRISIS & BECOMING A NET ZERO BUSINESS

Climate change poses a risk to our business, our local communities and the environment in regions throughout our supply chain. We are ever-cognisant of the need to be a low-carbon retailer. Taking informed and decisive action to help address climate change is a high priority for us and is the reason why, in 2020, we became the first retailer in Ireland to set science-based targets for our scope 1, 2 and 3 emissions under the Science Based Targets initiative (SBTi).

PROGRESS & HIGHLIGHTS

- ✓ Reduced our Scope 1 & 2 emissions by 23.2% vs baseline FY18/19. This reduction can be attributed to the ongoing engineering upgrades across the estate.
- ✓ Reduced energy use across all sites (kWh gas & electricity) by 23% vs baseline FY18/19.
- ✓ Continued to source 100% certified renewable electricity (wind) across our estate.
- ✓ Our 2030 Climate Roadmap of energy-saving engineering improvements is on track. An LED lighting upgrade in Arnotts, our largest location, commenced in June 2023 and will be completed in 2024. Representing a significant capital investment of over €1.25m, it demonstrates our commitment to permanently reducing our environmental footprint.

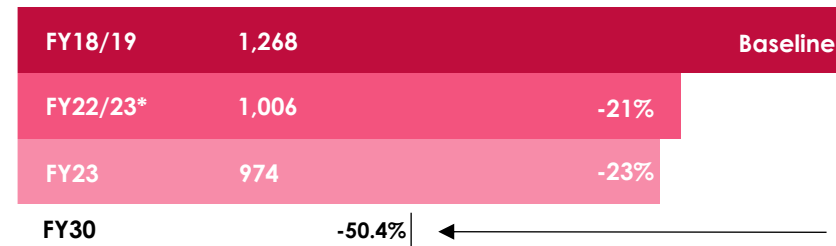
NEXT STEPS

- **Review and renew** our science-based targets to ensure consistency with the latest SBTi criteria. The SBTi requires that all targets are reviewed 5 years after submission and validation of the target. We plan to conduct this in 2024.
- Continue to **execute our 2030 roadmap** of engineering upgrades and completing the LED lighting upgrade in Arnotts.
- Continue to **source 100% certified renewable electricity** (wind) across our estate.
- Continue to **collaborate with our supplier network** to improve data quality by updating our carbon accounting methodology to provide a more accurate view of our impact and progress.

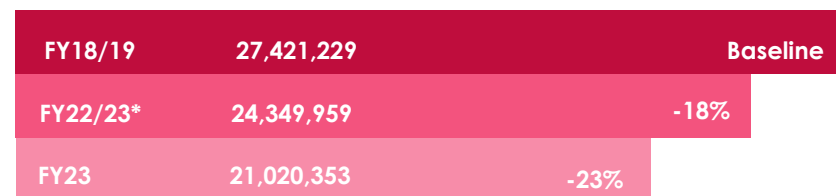
SCOPE 1 & 2 EMISSIONS

PERFORMANCE VS BASELINE

Carbon (tCO₂)



Energy (kWh)



OUR SBTi COMMITMENT

We have committed to reduce our scope 1 and 2 emissions by 50.4% and scope 3 by 15% by 2030, from a FY2018/19 baseline. Our GHG target for scope 1 and 2, and our renewable energy procurement target (scope 2), are consistent with reductions required to keep warming to 1.5°C.

Scope 1 are direct emissions generated from the daily running of our 7 stores and offices. Scope 2 are indirect emissions from the purchase of electricity for our stores.

Scope 3 is where our main emissions lie and includes emissions generated across the value chain and not directly within our control, such as the emissions of brands and suppliers in the manufacture and transportation of products and the emissions at consumer stage in their use and subsequent end of life of sold products.



BROWN THOMAS DUNDRUM: IRELAND'S FIRST FITWEL BUILT RETAIL CERTIFIED BUILDING

Fitwel is a healthy building certification system that focuses on improving the lives of occupants and local communities.

In October 2023, we were delighted to be awarded a **Fitwel 1-star rating** for our Brown Thomas Dundrum green concept store, becoming the first building in Ireland to achieve this accreditation.

Working with Lawler Consulting, we were evaluated across 11 different evidence-based design and operational areas including location; indoor environments; shared spaces; food and beverage areas; and emergency preparedness. Points were awarded by Fitwel based on the strength of the associated evidence we provided and demonstrated impact on occupant health and wellbeing.

Sustainability was the core focus for Brown Thomas Dundrum, from design stage through to build and fit out, with all contractors and suppliers adhering to our green build guidelines.

Our Fitwel 1-star rating demonstrates our commitment to sustainability and the health and wellbeing of our team, and we are proud that Brown Thomas Dundrum is the **first Fitwel Built Retail Certified building in Ireland**.



OUR WAR ON WASTE

Waste reduction performance vs FY22/23 (tonnes)

FY22/23*	1,185.439	-1%
FY23	1,031.403	-13%

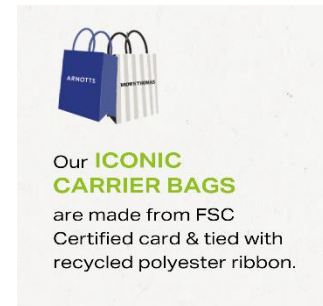
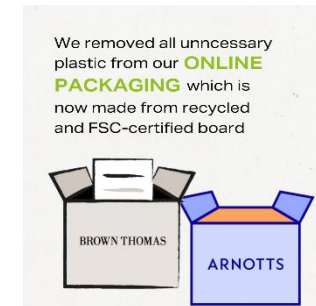
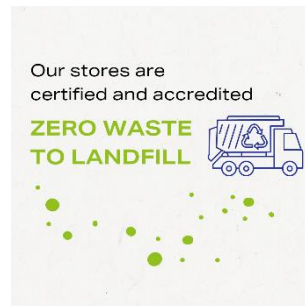
PACKAGING AND WASTE

Packaging plays a vital role in protecting products on their journey to our stores, and on their journey to our customers' homes. While it is critical that products arrive in perfect condition, we are focused on avoiding over-packaging and continuously looking for reusable, recyclable and plastic-free solutions.

Waste reduction is a key priority and 2023 brought a renewed focus to reduce waste across the business vs FY22/23*; maintain zero waste to landfill status across our estate; and investigate opportunities to reduce paper waste across the estate. We successfully delivered on our objectives through regular floor walks and internal audits to flag non-compliance; a business-wide waste facility and signage audit; and team training to reinforce correct waste segregation across the business.

KEY FOCUS AREAS

- Reducing waste across all streams by 10% across our estate (vs FY22/23*).
- Conducting a research project to identify opportunities to meaningfully reduce paper packaging across our business.
- Designing packaging for reduction, re-use and recycling.
- Eliminating plastic waste wherever we can in our business, particularly single-use plastics.
- Continuing to ensure that all our paper and board packaging is recycled or FSC certified.



PROGRESS & HIGHLIGHTS

- ✓ Reduced waste by over 13% across our business.
- ✓ Sent zero waste to landfill across our estate for the fourth year running.
- ✓ Identified our own branded Brown Thomas and Arnotts paper carrier bags as an opportunity to reduce paper packaging.
- ✓ Sold over 17,600 units of our reusable gift wrap tote bags, supporting the prevention of single-use gift wrap waste from circulation.
- ✓ Rolled out waste training workshops in our largest locations, Arnotts and Brown Thomas Dublin.
- ✓ Carried out a business-wide waste facility and signage audit of all store back-of-house areas, our DC and offices, to reinforce correct waste segregation practices.
- ✓ Rolled out a waste training and segregation signage audit with our in-store restaurant partners.

NEXT STEPS

- Develop a roadmap with the aim to reduce our paper carrier bags put out onto the market by 50%
- Develop a roadmap to support the afforestation of Ireland.
- Introduce more reusable packaging alternatives.
- Remain committed to ensuring that all our paper and board packaging is recycled or FSC certified.

*Includes reporting for financial year ending January 31st 2023

