

# Tiffany & Co.

ACKNOWLEDGE  
PRIORITISE  
SET STRATEGY & GOALS  
TRACK

GHG EMISSIONS



WAGES



## Background on Tiffany & Co.

Tiffany & Co. is an American luxury jewellery and speciality retailer. It was founded in 1837 and is headquartered in New York City. Tiffany & Co. primarily reaches its customers through its own stores, but also uses direct marketing and corporate merchandising. Laurelton Diamonds Inc., a subsidiary of Tiffany & Co. set up in 2002, is responsible for sourcing, cutting, and polishing diamonds for Tiffany & Co.. Tiffany & Co. employs 10,600 people and reported revenues of US\$4.1 billion in 2015. It is publicly listed on the New York Stock Exchange.

## How did Tiffany & Co. come to start thinking about context?

Driven by a strong belief in investing in the communities in which it operates, Tiffany & Co. engaged a group of academics and consultants in 2009 to determine what constituted a living wage at its manufacturing locations<sup>1,2</sup>. This study was followed up in 2014 by an in-depth analysis of the living wage program to ensure that it was meeting the program's original goal of providing workers with fair and equitable compensation<sup>1</sup>.

GHG emissions were already a material issue for Tiffany & Co. in 2015, but the company began to further engage its staff by implementing an internal GHG emissions roundtable. The purpose of this initiative was to encourage employees to share ideas and lessons from projects that aimed to reduce Tiffany & Co.'s GHG emissions across its business activities at various locations<sup>1</sup>. Later in 2015, Tiffany & Co. began to survey and screen the initiatives and partnerships it engaged with to identify which of these were known to reject climate science. The intention of this exercise was to reinforce its acknowledgement of the important role that climate science can play in combatting climate change<sup>1</sup>.

<sup>1</sup> Tiffany & Co. (2015). Sustainability Report. Accessed at: <http://www.tiffany.ca/sustainability/CSRFullReport.aspx>

<sup>2</sup> Tiffany & Co. (n.d.). Sustainability at Tiffany & Co. Accessed at: <http://www.tiffany.ca/sustainability>

Tiffany & Co. recognises that the business community has a key role to play in the fight against climate change. This recognition led the company to join the [B Team](#) initiative and pledge to work towards achieving net-zero GHG emissions by 2050<sup>3</sup>. Frédéric Cumenal, CEO of Tiffany & Co., commented at the time of the net-zero pledge that this offered Tiffany & Co. an opportunity to continue its “commitment to protecting our natural environment and we hope to inspire others to do the same<sup>4</sup>.” To support the achievement of this pledge, Tiffany & Co. launched a multimillion-dollar internal Green Fund in early 2016, aimed at providing funding for internal projects to support Tiffany & Co.’s GHG emissions reductions goal<sup>1</sup>.

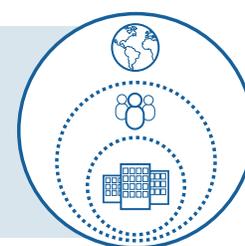
## What does context look like at Tiffany & Co.?

### 1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

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GHG emissions: Tiffany & Co. CEO, Frédéric Cumenal, acknowledges that Tiffany & Co. has a responsibility to act in a way that supports wider global efforts to protect the natural environment and that its business activities have an impact on the earth’s natural resources<sup>1</sup>. This sentiment was echoed by Tiffany & Co. CSO, Anisa Kamodoli Costa, when she commented that Tiffany & Co. “aims to reduce its environmental footprint to protect future generations from the impacts of climate change<sup>4</sup>.” While Tiffany & Co. acknowledges the importance of GHG emissions, it has yet to acknowledge the importance of operating within the threshold. As part of Tiffany & Co.’s net-zero pledge, the company has made a commitment to assess the GHG emissions of its value chain and identify opportunities for further engagement by 2018<sup>1</sup>.

Wages: Tiffany & Co. holds the belief that the communities in which its subsidiary, Laurelton Diamonds, operates should benefit from its operations and is committed to investing in these local communities<sup>5</sup>. Part of this commitment includes a commitment to provide a living wage and family benefits<sup>6</sup>. While Tiffany & Co. is paying a living wage, it does not transparently outline the details of the policy or how it is applied across the Laurelton Diamonds sites or if this policy will be implemented across the wider organisation. Tiffany & Co. has stated that it undertakes an in-depth analysis of the living wage program to ensure that it is meeting its intended goals but does not explicitly outline if this means that it will be working with employees or other interested stakeholders to complete this analysis<sup>1</sup>.

<sup>3</sup> Fashionweek.com (2015). Tiffany & Co. one of many to pledge net-zero greenhouse gas emissions by 2050. Accessed at: <http://fashionweek.com/tiffany-co-one-of-many-to-pledge-net-zero-greenhouse-gas-emissions-by-2050/>

<sup>4</sup> Tiffany & Co. (2015). Tiffany & Co. pledges to achieve net-zero greenhouse gas emissions by 2050. Accessed at: <http://press.tiffany.com/News/NewsItem.aspx?id=272>

<sup>5</sup> Miratel Solutions Inc. (2012). Tiffany & Co. CSR Business Plan Stress Transparency and Address Industry Challenges. Accessed at: <http://www.miratelinc.com/blog/tiffanys-csr-business-plans-stress-transparency-and-address-industry-challenges/>

<sup>6</sup> Tiffany & Co. (n.d.). Tiffany & Co. Sustainability. Accessed at: <http://www.tiffany.ca/sustainability>

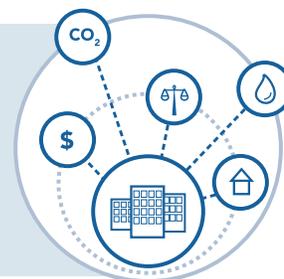
Other thresholds: Tiffany & Co. acknowledges the importance of other socio-ecological issues including energy and ethical sourcing but does not yet discuss them with reference to thresholds.

## 2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

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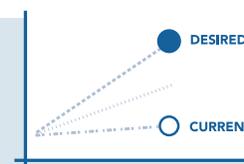
Tiffany & Co. appears to use what we call a ‘classic’ materiality approach whereby the priority of its material issues is informed by the input of its stakeholders<sup>1</sup>.

**GHG emissions:** GHG emissions are one of the “pillars” of Tiffany & Co.’s sustainability efforts and the company’s efforts are aimed at “minimising environmental, energy, and climate change” footprints<sup>1</sup>. However, Tiffany & Co. does not transparently discuss how it is working to understand the wider impact its GHG emissions are having on the environment; it only states that it aims to minimise these impacts. As described above, Tiffany & Co. has committed to outline its understanding of the GHG emissions arising from its value chain by 2018<sup>1</sup>.

**Wages:** Since 2009, Tiffany & Co. has engaged with academics and consultants to determine what constitutes a living wage in the locations in which Laurelton Diamonds operates. Tiffany & Co. seeks to revisit this assessment every five to seven years, and the latest of these revisions was completed in 2014<sup>1</sup>. Tiffany & Co. aims to provide workers with fair and equitable compensation and continues to explore how to evolve the programme<sup>1</sup>. The President of Namibia, Hifikepunye Pohamba, praised Tiffany & Co.’s living wage efforts by saying: “You are paying respectable wages that afford your employees to live decent lives and to care for their families. You are to be lauded for undertaking a living wage study to ensure their well-being<sup>7</sup>.” Tiffany & Co. has yet to transparently outline how the work undertaken to determine what constitutes a living wage has shaped its thinking or how it has influenced the actions the company is taking within its value chain.

<sup>7</sup> My Creative Mind (2014). Speech for President Pohamba – Laurelton Reign Diamond Event. Accessed at: <http://mycreativemind.com/wp-content/uploads/2014/02/Speech-for-President-Pohamba-Laurelton-Reign-Diamonds-Event.pdf>

### 3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.



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GHG emissions: Tiffany & Co.'s current GHG emissions goal, which is not contextual, aims to reduce its GHG emissions by 15% from 2013 to 2020. In addition to this goal, Tiffany & Co. has pledged to achieve net-zero GHG emissions by 2050 and believes that this can be achieved by adopting a science-based approach<sup>1</sup>. Tiffany & Co. has committed to outline how it plans to work with its value chain to help it adhere to the GHG emissions threshold by 2018<sup>1</sup>.

Wages: Tiffany & Co. defines a living wage as the rate that allows an employee to meet the financial needs of their dependents, provides some discretionary income, and reflects the cultural expectations of the society in which the employee works<sup>8</sup>. Presently, Tiffany & Co. only discusses paying a living wage within its subsidiary, Laurelton Diamonds<sup>1</sup>.

Other thresholds: Tiffany & Co. has not yet set contextual goals in relation to any other thresholds.

### 4 Transparently TRACK performance against realistic trajectory targets.

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GHG emissions: Tiffany & Co. discloses its scope 1 and 2 emissions on an annual basis in its Corporate Social Responsibility reporting and provides the trajectory that is needed to achieve its current non-contextual 2020 GHG emissions goal<sup>1</sup>. Tiffany & Co. has not yet disclosed any metrics that would enable it to monitor the influence it is having in helping its value chain adhere to the GHG emissions threshold.

Wages: Tiffany & Co. currently only measures the percentage of Laurelton Diamonds' skilled employees who are paid a living wage and has yet to transparently discuss the extent to which this program is either meeting or failing to meet its intended goals<sup>1</sup>. As described earlier, Tiffany & Co. holds the belief that the communities in which its subsidiary Laurelton Diamonds operates should benefit from its operations, and is committed to investing in these local communities; however, it has yet to set any metrics that could be used to monitor how paying a living wage is benefiting these communities<sup>5</sup>.

<sup>8</sup> Tiffany & Co. (2011). CSR Report 2011. Accessed at: [http://www.tiffany.ca/csr/aboutreport/CSRReportArchive\\_2011\\_pagenumbers.pdf](http://www.tiffany.ca/csr/aboutreport/CSRReportArchive_2011_pagenumbers.pdf)

Other thresholds: Tiffany & Co. reports its performance against other socio-ecological issues including energy and ethical sourcing but does not yet report its progress in relation to their associated thresholds.

## What is the road ahead for context at Tiffany & Co.?

In 2015, when Tiffany & Co. pledged to achieve net-zero GHG emissions by 2050, it also committed to adopting a science-based GHG emissions goal<sup>4</sup>. Frustrated with the lack of progress on this commitment, the [Interfaith Centre on Corporate Responsibility](#) (ICCR) announced in 2016 that it had addressed letters, signed by 60 of its institutional investor members, to 100 publicly held companies, including Tiffany & Co.. The letters encouraged the companies to make good on commitments to adopt science-based GHG emissions goals within the next 2-years<sup>9</sup>.

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<sup>9</sup> Sustainable Brands (2016). Investors Urge 100 Companies to Make Good on Science-Based Targets Commitments. Accessed at: [http://www.sustainablebrands.com/news\\_and\\_views/new\\_metrics/sustainable\\_brands/investors\\_urge\\_100\\_companies\\_turn\\_their\\_science-based](http://www.sustainablebrands.com/news_and_views/new_metrics/sustainable_brands/investors_urge_100_companies_turn_their_science-based)