

Fortnum & Mason Sustainability & Social Responsibility Report

FORTNUM & MASON
EST 1707

2021 Highlights

As a family owned business that's been around for over 300 years, it is our responsibility to conduct business today in a way that truly considers the next 300. To that end, every day we seek to do the right thing by people, animals and the planet.

Listed here are a few key highlights from 2021:

We achieved a 3.7% absolute carbon reduction in our store and warehouses

We improved our animal sourcing in Retail & Hospitality

We stopped selling Foie Gras

We launched our sustainable restaurant 'FIELD by Fortnum's' with sustainability and seasonality at its heart

We achieved zero waste to landfill

We continued to make investments in our Piccadilly store & warehouses to deliver carbon management & efficiency savings

We introduced a chargeable, plastic free food hall bag and plastic free gift bags, with proceeds going to our charity partner, Centrepoin. The food hall bags are chlorine free, 100% kerbside recyclable, made with FSC certified and 20% recycled content

We were the first luxury retailer to charge for all our bags, to reduce our reliance on the Earth's finite resources. Additionally, we are actively encouraging our customers to bring their own bags or to purchase a plastic free bag for life when shopping with us, reducing our plastic footprint by a further 10 tonnes.

We introduced a plastic free ribbon to dress our bags and adorn wrapped presents

We continued to make significant progress in our mission to remove single use plastic

We continue to install LED lights into our Piccadilly store, improving efficiency by 10%

We launched internal Diversity & Inclusion, Sustainability and Family networks

25 apprentices graduated in 2021, and 18 people joined our apprenticeship programmes

Hundreds of our people were nominated for our Fortnum & Mason Values Awards

We have over 60 different nationalities working throughout our business

We introduced a paid volunteering day for all our staff every year and our teams have been volunteering with our charity partners

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Introduction

Fortnum & Mason was founded in St. James's, London in 1707 by footman to Queen Anne, William Fortnum and his landlord Hugh Mason.

William Fortnum's perk of the job was to re-sell the Queen's used candle wax at a profit. Admiring his entrepreneurial spirit, his landlord Hugh Mason set up shop with him and the rest is history.

This early example of recycling was the catalyst to Fortnum's success.

From a single shop in Piccadilly, London, the business now comprises not only the flagship building – complete with five on-site restaurants – but also stores and restaurants in St Pancras International, Heathrow Terminal 5 and most recently The Royal Exchange in the heart of the City of London; a significant online business delivering to over 120 countries worldwide; a busy telephone ordering service; and a strong and growing international presence, plus the award winning independent restaurant 45 Jermyn St.

Fortnum & Mason remains a privately owned business whose ultimate holding company is one of Britain's leading charities, the Garfield Weston Foundation, which was established in 1958 and has donated over £1 billion in total.

As a privately owned company, we take a long-term view of our business activities and always focus on delivering what is right for the long-term sustainability of the business, both in terms of our social and environmental responsibilities.

Fiercely proud of its heritage and traditions but equally committed to progress, Fortnum's is well positioned to meet the requirements of today's business and those of its key stakeholders too.

Food Buying Principles

At Fortnum's, 88% of the food that we sell is branded Fortnum & Mason. This means that we have full control over who makes it, what it is and how it is made. Suffice to say, we only source the highest quality ingredients for our products.

We work closely with our suppliers to develop products that are as natural as possible, using quality ingredients without using unnecessary additives or chemicals.

Only the highest quality proprietary products make it into Fortnum's.

Our Food Buying Principles are:

- Quality

We provide our customers with the best-tasting food by ensuring that we use only the finest ingredients and production methods. Our rigorous quality control procedures and standards of traceability ensure that our products are of the highest quality and always reach our customers in peak condition.

- Product provenance, authenticity and integrity

Provenance and authenticity of origin are key to our buying philosophy. We source our food products from the best suppliers we can find, and with full traceability to ensure we meet our customer's needs. Suppliers are expected to comply with all regulations and codes of practice that are applicable to their business – for example, we have been GM (Genetic Modification) free since 2002, and the palm oil used in our products is sustainably resourced. By 2022, all of our own brand products will be palm oil free.

Additionally, wherever possible, we always try to source the majority of our fresh foods from within the UK. However, some artisan products or specific breeds can only be sourced from outside the UK, where the same sourcing and buying principles apply.

- Seasonality

We provide our customers with a range of products that reflect the growing seasons. This philosophy extends to our recipe-based products and menus, and not just our fresh produce. We also develop products for the major British celebrations, British traditions and the leisure activities of our customers. We focus on in-season British produce, not only to ensure the highest quality, but to minimise transport impacts and our carbon footprint.

These buying principles are applied to our key food and drink ranges in the following way:

TEA

All Fortnum & Mason teas are sourced from tea estates and producer groups participating in and adhering to Ethical Tea Partnership (ETP) standards. These standards aim to ensure that tea is drawn from sustainable sources. The ETP is an organisation of UK-based tea packaging companies who work together on sustainability and ethical issues in their supply chains. Through its partners, the ETP monitors social

and environmental conditions on tea estates in all major tea producing regions, to ensure good quality and ethical requirements are fulfilled. Our supplier has also recently established a Tea Growing Community Charitable Trust to fund social projects in the estates and small holdings.

COFFEE

Our coffee suppliers have more than 150 years of experience in developing long-term sustainable supply arrangements with the world's best producers, providing a fair economic return for those farmers, suitable living and working conditions for their employees and protection for the natural environment. Our suppliers also build direct relationships with the world's best coffee producers and visits their farms regularly to ensure they operate to the highest standards. By paying a fair price, we help our farmers to afford basic healthcare, education, and housing for their employees and families. Not only is the quality of the coffee of paramount importance, but we only source coffee from producers or producer groups where there is a transparent and documented commitment to the continual improvement of social and environmental conditions on the coffee farms and estates.

BISCUITS

Fortnum & Mason biscuits are made in the UK from the finest natural ingredients using traditional baking methods. They are produced to the Grade A of the BRC (British Retail Consortium) Standard that covers HACCP (Hazard Analysis and Critical Control Point) system which considers quality management, factory environment standards, product and process control, as recommended by the Food Standards Agency.

HONEY

Honey is a key and growing product group for Fortnum & Mason and with the bee population under threat in the UK, we made the decision to make our own small contribution to their protection with the positioning of our own hives on the roof of our Piccadilly store. Our bees have a radius of around three miles, which encompasses St James's Park, Green Park and Buckingham Palace, as well as any number of private gardens. These gardens are often planted with a dazzling array of exotic flowers, which means that our honey's flavour is quite unpredictable, and changes with every crop. Our honey has proved extremely popular - so much so, that these rather exclusive bees have created a waiting list for their produce. We have also installed our hives in other prominent locations – including St Pancras Station and on the roofs of London art galleries – and we are actively seeking other sites. We are also working with Highgrove, HRH The Prince of Wales's organic food range, and HRH The Duchess of Cornwall to market their honey.

FISH

We ceased selling wet fish from our store during 2015 and for our restaurants we ensure that any fish used adheres to the Marine Conservation Society fish rating guidelines, whereby we will only select fish rated 4 (Green) or below.

All our retail farmed salmon is Scottish and from RSPCA assured farms. Our organic farmed salmon comes from a single source farm in Northern Ireland and is chosen for its choice of diet for the salmon, stocking density and strong tidal waters.

CAVIAR

All our caviar carries full CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) accreditation stating where the caviar is from, thus giving us full traceability and is regularly DNA-tested to confirm the source.

We abide by the ban on quotas for wild caviar imposed by CITES and DEFRA (Department for Environment, Food and Rural Affairs). We also have many farmed caviar alternatives to offer choice to our customers. Our suppliers use all the sturgeon by-product in further processing.

FOIE GRAS

The essence of our Future Matters work is a commitment to take more steps every day that make a difference to the future of our planet and people. As a result, one of the changes we have made is to cease selling foie gras. Our supplies ended in February 2021 and we will not be re-ordering.

MEAT, POULTRY & EGGS

We work closely with our suppliers to ensure that all livestock is reared to the highest welfare standards, to guarantee the highest quality of meat and livestock products are obtained. The five freedoms form the core of our animal welfare standards (Farm Animal Welfare Council). Additionally, our buying principles extend as follows:

- All of our eggs are free range and we never buy on the open market.
- Our chicken, geese and turkeys are free range and naturally fed
- We buy heritage breed beef and pork
- We sell PGI certified Welsh lamb
- All of our game comes from BGA (British Game Alliance) assured shoots

Fashion, Beauty & Home Buying Principles

We take great pride in providing our customers with a range of premium quality fashion, beauty and home products. We have developed our own ranges that account for around 40% of our sales in this category, while the remaining 60% are proprietary non-mainstream brands of the highest quality. This provides our customers with interesting alternatives to those available from conventional retailers.

Our buying principles are in line with those we apply to our food ranges. We work closely with our suppliers to ensure where possible that the materials used in the manufacture of our fashion, beauty and home products are fully traceable, and socially and ethically-sourced. We review our supplier's policies and practices on an individual basis and expect them to adhere to our high standards and the following principles:

- Quality

We provide our customers with luxury products by ensuring that we use only the best materials and production methods. We work with the most-skilled producers and always try to promote

traditional and artisan methods of production. We also work with our direct suppliers to apply quality control procedures.

- Sustainability

We promote sustainable and environmental practices throughout the supply chain. We do not support the rearing of animals for the sole purpose of using their skins. We do not sell real fur and we work with our suppliers to ensure that they do not use endangered or threatened animal species, fauna or flora. Suppliers must comply with C.I.T.E.S (Convention on International Trade in Endangered Species of Wild Flora and Fauna) to ensure that international trade in specimens of wild animals and plants do not threaten their survival.

- Ethical and Environmental

We work with our suppliers to ensure their commitment to best practice on all issues, such as protecting the environment, animals, human rights and renewable resourcing, to deliver ethical quality goods. It is our aim to promote and implement progressive sustainable practices across the fashion design, sourcing and manufacturing supply chain. None of our beauty products are tested on animals.

Supply Chain Engagement

- Selection & Sourcing

We champion artisan products and work closely with our producers and suppliers to ensure we source the highest-quality products, while maintaining full traceability. Building long-term relationships with our suppliers is important to us, and a number of these relationships span many decades.

- Ethical & Environmental

We enjoy very direct relationships with our suppliers and regularly assess and audit whether they take an environmentally responsible and ethically sound approach to sourcing their product, and equally whether their worker welfare standards meet our broader demands. Many of our suppliers are small too, so often, we will work collaboratively with them, extending our advice and contacts to their benefit.

- [Modern Slavery Statement](#)

Fortnum & Mason is committed to ensuring that there is no slavery, human trafficking or child labour in our supply chains. We work with organisations such as the Ethical Tea Partnership to ensure that suppliers adhere to the agreed principles, and if any suppliers fail to reach our standards then we will terminate our relationship with that supplier.

- Communication

We work directly with our supply base and through regular meetings and visits, we ensure that the standards that we set are maintained.

Many of our suppliers are small, artisan operations with limited resources and we therefore offer them assistance in achieving our standards, and work with them to ensure that they place a priority on their own CSR objectives. This is extended to all supplier compliance documentation, ensuring that our supplier's CSR ambitions and strategies are captured both upfront, when we initially consider working with them, but also form a major dimension of our partnership with them going forwards.

The Environment

Environmental Policy

A British brand with a global outlook; we consider ourselves very fortunate to have forged relationships with some of the finest producers across the world, proudly showcasing their craft and products. But with great global outreach comes even greater global responsibility. The way the world is changing is always front of mind. We don't have all the answers but we're unwavering in our pursuit of positive environmental change, both on a domestic and global scale. We continue to put our waste to use, reduce our energy and water usage and increase our recycling and composting facilities to ensure we take a lead in decreasing our reliance on the planets resources and to clean up the impact we leave behind.

It is our policy to operate in compliance with all relevant environmental legislation. We also aim to continually improve our environmental performance and minimise the impact of our activities by regularly reviewing our environmental policy. This will allow us to:

- Prevent pollution.
- Reduce our carbon footprint.
- Minimise the consumption and wastage of natural resources as far as reasonably and economically practicable.
- Ensure that consideration is given to purchasing environmentally sustainable products and services as well as considering service partners' environmental credentials in the selection process.
- Encourage the use of travel options that minimise environmental impact.

Carbon Management

We recognise that our operations create carbon emissions and that this has a detrimental effect on the environment. It is our aim to take action to minimise these emissions and to use energy from renewable sources where possible. All employees and suppliers are also made aware of their environmental and social responsibilities.

The main contributor to our carbon emissions is our electricity usage. Since 2011 we have been certified by The Carbon Trust. We have taken action to reduce these emissions through a number of energy efficiency initiatives and investments.

As a result, we reduced our carbon footprint by 3.7% in absolute terms in 2020. We were awarded The Carbon Trust Certificate of Achievement in 2021. We are continuing to work with the Carbon Trust to identify further energy savings and set further carbon reduction targets. The achievement of the Carbon Trust Standard enables us to communicate and reinforce energy-saving initiatives to our employees and suppliers. We encourage suggestions of energy-saving ideas through 'The Hive Extra', our weekly newsletter sent to our managers and our weekly publication, 'The People Newsletter' sent to all employees.

Improving Local Air Quality

In the autumn of 2018, the roof of our flagship Piccadilly store was transformed when we installed moss panels on a large amount of the available space as a means of improving local air quality.

Waste Reduction

We are continuously reducing our environmental impact through waste reduction with the policy of reduce, reuse or recycle where possible. We recycle all plastic, glass, paper and cardboard and utilise surplus food waste for useful purposes. We also passionately believe in zero waste to landfill, an objective we have held since 2011. As a result, any remaining waste is processed for use as industrial aggregates or to generate electricity. In addition, our packaging is known for its keepability, with the iconic Hamper a great example of a Fortnum's sustainable product. For those who don't wish to re-use, or re-love the packaging contained inside, 76% of it is recyclable, ensuring it can have another life. We are re-visiting those products where this is not the case, however, and ensuring that recyclable packaging is secured for all new products developed.

Removal of Single Use Plastic

In 2021, we substantially reduced the amount of plastic we sent out to the world, equivalent to the weight of a blue whale in fact! It's no secret the global plastic footprint caused by single use is a major environmental concern. So we have joined the plastic revolution and are working with our supply chain to help eradicate single use plastic, keeping our suppliers regularly updated with new innovations and transformations. We're already starting to see exciting new changes to our products and packaging. We will continue our plastic overhaul until we can all enjoy the things we love without leaving a problem behind.

Our Fortnum & Mason Bags for Life, made of jute, are offered for sale at every till point. Truly 'for Life' we will replace any customer's Bag for Life if it's showing signs of having lived a good one.

The Community

Charitable Giving

Fortnum & Mason's holding company is Wittington Investments Ltd, which is 79% owned by the Garfield Weston Foundation, a charity. The Foundation supports a wide range of causes across the UK, donating over £70 million annually. It is one of the largest and most respected charitable institutions in the country and, and it aims to be responsive to where need is greatest. Adopting a highly active and hands-on approach, it supports a wide range of charitable activity in the arts, education, youth, health, museums and heritage, community, environment, faith and welfare.

In our own right, Fortnum & Mason supports a number of charities both in the local community and nationally.

This year we launched a paid volunteering day for each of our employees, and our teams have given much of their time and worked with our various charity partners.

We have ongoing partnerships with three key charitable bodies:

The Felix Project (“Felix”); a London charity working with food suppliers and charities to reduce food waste and food poverty. The charity collects food from supermarkets, wholesalers and other food suppliers – food that is fresh and nutritious, but cannot be sold for various reasons. Felix deliver this food free of charge to charities which provide meals, snacks or food parcels for their clients, including the

elderly, the homeless, people with mental health issues, refugees and asylum seekers and vulnerable families and children. Felix simply want to see good food go to good causes. In 2020 alone, Fortnum & Mason donated 29,000 meals to The Felix Project, and we continue to look at ways in which we can support their efforts, including offering our people the opportunity to volunteer for them, either individually or as a team. Additionally, our teams are working with Feeding Hong Kong, which redistributes food surplus to food charities and community programmes in Hong Kong.

The Enham Trust; a disability organisation that works with 7,500 individuals each year throughout the South, giving them independence, choice and control in the cornerstone areas of their lives; housing, care, work and skills development. Several years ago Fortnum & Mason placed its tea gift packing with Enham to provide employment opportunities for disabled staff.

Centrepont, is our current employee charity of the year and we have been working with them since January 2021. Centrepont provides housing and support for young people regionally in London, Manchester, Yorkshire and the North East and through partnerships all over the UK. Their aim is to give homeless young people a future and end youth homelessness by 2037. At Fortnum & Mason our teams have been supporting their fundraising efforts throughout the year, with initiatives such as an internal raffle and half marathons. We also donated the majority of our plastic bag sales to the charity, as well as funds raised through various hospitality initiatives over the 2021 Christmas season.

Additional examples of our work with charities are:

- The Dalmain Marmalade Awards: we sponsor the Dalmain Marmalade Awards & Festival in Cumbria, with the proceeds going to local charities.
- We raised £5,658 for Bees for Development.
- We raised £17,017 for StreetSmart.

Local Charities

We support around 100 charities each year with donations of money or goods to their fundraising activities.

Local Organisations

As the original corner shop, Fortnum's recognises the value of participating in the local community and takes an active role in doing so. We support the St James's Conservation Trust in their work to preserve the character and heritage of St James's. We are also members of Heart of London, London First and The Jermyn Street Association and we actively engage in and support activities and developments to promote the West End as the world's top shopping destination.

The Fortnum & Mason Family

Fortnum's is a family business. We are passionate, ambitious and take care of our guests, customers, partners and each other. To ensure we're all aligned, we have three very simple core values that we follow;

We Take Pride

Do The Right Thing

Achieve Together

A key factor in what makes Fortnum's so special is the extraordinary, talented, motivated and diverse people that create the Fortnum's family. They are critical to the development and sustainability of our business and therefore we invest in them, their environment and their welfare.

From an employment perspective, our key employment principles are as follows:

Equality & Diversity

We wholeheartedly believe in the power of diversity and are committed to equal pay. We naturally have a very diverse workforce, employing more than 60 nationalities, with members of our team ranging from 17 to 87 years of age. In 2021, 62 people celebrated a milestone service. We employ a very healthy distribution of men and women across the company at all levels, as highlighted in our most recent [Gender Pay Gap Report](#). We create development opportunities for all, and believe passionately in investing in and stretching our own talent. We promoted 84 of our employees internally between December 2020 and November 2021. This year we launched an internal Diversity & Inclusion employee network.

Staff Engagement

Employee engagement is central to our success.

We believe in our people having a great employee experience, ensuring we provide them with a pleasant working environment, opportunities to grow and reach their potential and a culture where they feel supported and valued.

From listening to our employees, we know they are keen to be updated on business performance and key projects and we ensure that this information is cascaded through all teams in the business in a variety of ways. We also provide forums for colleagues to ask questions directly to our senior management, which provide us with vital insight to act upon. From how we communicate with our people, to the training and learning opportunities we offer them, to our ways of working, we regularly ask for feedback and their bright ideas and act on their suggestions.

Continuous Learning

All employees receive training on their arrival within the company. They are supported and encouraged to develop their own skill-set, both to enhance their performance and to help them to gain greater self-confidence and awareness. Coaching and development are offered to many of our people, and we also

provide regular opportunities for team members to share their careers, experiences and skills to the benefit of others, as we nurture a culture of continuous learning.

Benefits & Rewards

All staff are paid a fair wage for the work they do which is regularly monitored against the general market rate.

Every eligible member of the team qualifies to be part of our bonus scheme that is dependent on company performance against a target. In addition to pay, other benefits are offered to all staff, including a pension scheme (with company contributions up to 10% of salary), free life assurance, interest-free travel loans, access to an employee assistance programme, Rewards platform and generous staff discounts. There are also Long Service Awards and other benefits including a paid day's holiday for each person's birthday every year and a day for volunteering.

Recognition and Celebration

The Fortnum & Mason Values Awards were launched in 2018 – this awards scheme is to recognise those colleagues who have excelled in their demonstration of living the values. Throughout the year, everyone is given the chance to nominate their colleagues, or a team, who have gone above and beyond in living our values. In 2019, we launched our Exceptional People Awards. Held annually, they celebrate the outstanding endeavours and achievements of our people across three core categories of: exceptional service, pioneering & positive change and outstanding contribution.

Healthy Workplace

The health and welfare of our teams is very important and we ensure fresh healthy meal options are available in all of our stores. In our Piccadilly store, we have a subsidised restaurant for employees, Café 181 which has its own chef and supporting team, and provides not only delicious and nutritious food cooked on a daily basis, but a popular and engaging space for colleagues to meet and socialise during the working day.

Developing the Talent of Tomorrow

We launched the Apprenticeship scheme in 2016 ensuring we help support and develop the talent of tomorrow. Currently we have 18 fresh-thinking, open-minded people from a rich diversity of backgrounds engaging in our apprenticeships programmes, and intend to continue to grow this number annually as we seek to maximise the opportunities we can offer new talent: no mean feat for a family led business our size, but we believe it's a necessary investment if we're to see our business and our people thrive.

In conclusion; though much has been achieved, we recognise that it is the small and large scale things done every single day that fundamentally make the difference to our collective future in 300 years' time. We are committed to doing more, more often to ensure that we're conducting proper business and business properly.