

# P I P E R & S K Y E



ESG Report  
2022/23

# Environment



The 'E' in ESG represents environmental factors. It includes the energy a company takes in, the waste it discharges, and the natural resources used in manufacturing and daily operations. Focusing on environmental factors is not only beneficial for the longevity of the planet, but can also improve a company's financial performance. Not only are many customers beginning to choose to prioritize buying from companies who respect the environment, but company's who score high in environmental factors also avoid hefty financial penalties from regulatory agencies and the accompanying bad press. Considering the impact of Piper & Skye on the environment is the ethical thing to do and gives us a competitive advantage.



# Environment



## Pillars and Actions

Since the very beginning, Piper & Skye has prioritized sustainability and minimizing any sort of negative impact on the environment. Every aspect of our business operations from our Environmental and Green Office policies, to the materials we use to craft our handbags, to our responsible sourcing practices and circularity considerations for a product's end-of-life use, is designed to minimize our impact on the environment and improve biodiversity. In the following section, we will outline the three pillars that are the backbone of our environmental efforts: 1) Minimize Carbon Footprint, 2) Sustainability, and 3) Waste Reduction. Within each pillar, we will provide examples of significant actions Piper & Skye is taking to put theory into practice.

Environmental Pillars			
	Minimize Carbon Footprint	Sustainability	Waste Reduction
Actions	Measure baseline carbon footprint	Responsible Material Selection Criteria	Sustainable Business Model
	Green office and environmental policies	UN Sustainable Development Goals	Source Reduction
	Purchase carbon offsets	Pursuit of Sustainability Certifications	Product Circularity



# Environment



## Pillar 1: Minimize Carbon Footprint

### ACTION:

## Measure Baseline Carbon Footprint

As a starting point, Piper & Skye has partnered with Chester Energy & Policy to measure our baseline carbon footprint. This initiative is broken down into three milestones:

- 1) Carbon modelling of pirarucu and alligator leather,
- 2) Carbon emissions by product, and 3) Mitigate the overall company carbon footprint. Once complete, this thorough in-depth analysis will allow us to pinpoint where the most room for improvement exists to minimize our carbon footprint. By researching these areas, we will be able to discover greener ways to operate our business. The goal here is simple: accomplish the same amount of work with a lesser amount of natural resources as inputs. Only in doing so can we fully honor what we borrow from the earth. In the spirit of transparency and accountability, we will make our annual carbon footprint assessments publicly available.

### ACTION:

## Offer Customers Ability to Purchase Carbon Offsets

Minimizing Piper & Skye's carbon footprint is ultimately a partnership between companies and consumers. At Piper & Skye, we have taken the first integral steps to minimizing our impact on the environment by building our company with ESG principles at the forefront. When consumers support this type of responsible corporate behavior, they further empower these companies to continue on this journey. While simply purchasing from Piper & Skye is a vote for the environment, we also offer our customers the ability to take it one step further by purchasing carbon offsets on any order. It is our hope that by telling our story and leading by example, Piper & Skye can inspire more environmentally-conscious decision making in all aspects of our customers' lives.

# Environment



## Pillar 1: Minimize Carbon Footprint

### ACTION:

## Green Office and Environmental Policies

Piper & Skye strives not only to be environmentally friendly, but also to advocate for other companies to join us on this journey. If we focus solely on our own environmental initiatives, our impact is much less than if we require similar attitudes and practices from all of our suppliers and manufacturers. While our Green Office Policy (as discussed aside) is internally focused, our Environmental Policies within the Business Code of Conduct are instruments that we use to promote environmental stewardship by ensuring that we partner only with suppliers and manufacturers who share the same goals. Together we are stronger.

[Read Our Green Office Policy](#)

[Read Our Business Code of Conduct](#)

**Environmental Policies:** Piper & Skye's business operations do not end at our doors. Rather, they extend into the factories of our contractors, suppliers, and manufacturers. Similar to our Green Office Policy which applies to internal operations, Piper & Skye has adopted an Environmental Policies within our Business Code of Conduct with which all suppliers and manufacturers, are required to comply. As such, Piper & Skye is able to achieve a much broader positive environmental impact. Components of our Environmental Policies with which we expect our partners to comply include: energy use, responsible waste management, paper/water use, minimizing use of disposables and plastic, waste reduction, and chemical use. We welcome our partners to actively consult with us on any environmental matters.

**Green Office Policy:** Our commitment to the environment and achieving more efficient use of natural resources is also embodied in our Green Office Policy. The objective of this internal policy is to promote office-wide and individual environmental stewardship to minimize the environmental impact of Piper & Skye's operations. Our Green Office Policy covers a wide variety of initiatives including recycling, waste management, water use, paper use, energy conservation, business travel, and regular carbon footprint measurements to assess progress.

# Environment



## Pillar 2: Sustainability

Consistent with our objective of minimizing our carbon footprint is our second pillar of the 'E' in ESG: Sustainability. Sustainability is the idea that the production of new items have the smallest possible environmental impact. If you are thinking that this sounds like the overarching ethos of Piper & Skye, then you would be correct. The construction of this pillar is a little different in that other than our Responsible Material Selection Criteria, other components of this pillar are frameworks (e.g. UN SDGs) and certifications (e.g. B Corp) that keep our sustainability endeavors on-target and consistent with current best practices.



Responsible Material  
Selection Criteria

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UN Sustainable Development  
Goals Framework

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Pursuit of Sustainability  
Certifications

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# Environment



## Pillar 2: Sustainability

ACTION:

## Responsible Material Selection Criteria

Our carefully crafted Material Selection Criteria forms the foundation of Piper & Skye's sustainability efforts. This checklist helps us meet our objective of sustainably crafting beautiful handbags with the utmost respect for our planet and everything on it, and stems from our belief that we are in the unique position to honor what we have borrowed from nature. By sustainably upcycling our primary material input, pirarucu leather, Piper & Skye significantly reduces its carbon footprint. In selecting any new raw materials for use, the criteria presented to the right are carefully considered. As we continue on our sustainability journey and learn of new criteria that help us better assess sustainability, we will update and add to the criteria listed aside. In doing so, Piper & Skye will continually improve the sustainability of the handbags that we put out into the world.



The species must be in overpopulation in its natural habitat



The species must be used as a food source somewhere in the world



There is no undue suffering in any form during the process of culling, fishing, or otherwise.



Management of the species is overseen by a governing body (e.g. CITES, Fish and Wildlife Licensing, etc.) which seeks to ensure the healthy and thriving ecosystem in which the species lives.



The skins and leathers would be considered a waste product (i.e. headed for a landfill) unless passed on to designers and artisans who create beautiful handbags and accessories with them.



We require that no hazardous or toxic chemicals are used in the tanning or dyeing process.



We abide by the Fiver Freedoms originally defined by the UK's Farm Animal Welfare Council.



# Environment



## Pillar 2: Sustainability

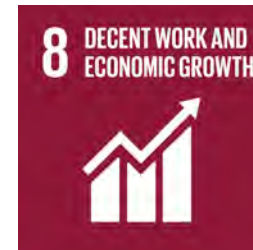
ACTION:

## UN Sustainable Development Goals

Created by the United Nations, and adopted by all member states in 2015, the 17 Sustainable Development Goals (SDGs) were created as a blueprint for global peace and prosperity. Piper & Skye has adopted the SDGs as a framework to ensure that our business decisions stay grounded in achieving goals more noble than just profit maximization. As detailed in our SDG Report, Piper & Skye decided to focus on three primary SDGs. These three SDGs are those in which we believe that we can have the greatest positive impact. These SDGs are continuously referred back to in asking ourselves, "In making this business decision, how can we shape our actions to maximize our impact achieving one or more of these SDGs?". This approach is the opposite of that taken by more



traditional profit-oriented companies who prioritize the maximization of profit and then ask how they can minimize their negative impact on the environment. Instead, Piper & Skye considers the interests of multiple stakeholders such as local communities, the planet, and employees, before making a decision. An ounce of prevention is worth a pound of cure.



# Environment



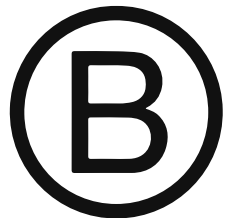
## Pillar 2: Sustainability

ACTION:

## Pursuit of Sustainability Certifications

Many companies make claims of sustainability and being 'green'. Unfortunately, when push comes to shove, most of these companies have been shown to be greenwashing. According to TerraChoice, "95% of 'green' products use misleading claims". To show our commitment to authentic and quantifiable sustainability efforts, Piper & Skye is committed to achieving sustainability certifications from B Corp and Positive Luxury. In addition to being a stamp of approval from reputable organizations, maintaining one's certification requires continuous improvement and ongoing reporting. This form of accountability will ensure that Piper & Skye maintains its focus on sustainability, and in doing so, continue to deliver on its promise to consumers to craft beautiful sustainable handbags.

**Certified**



**Corporation**



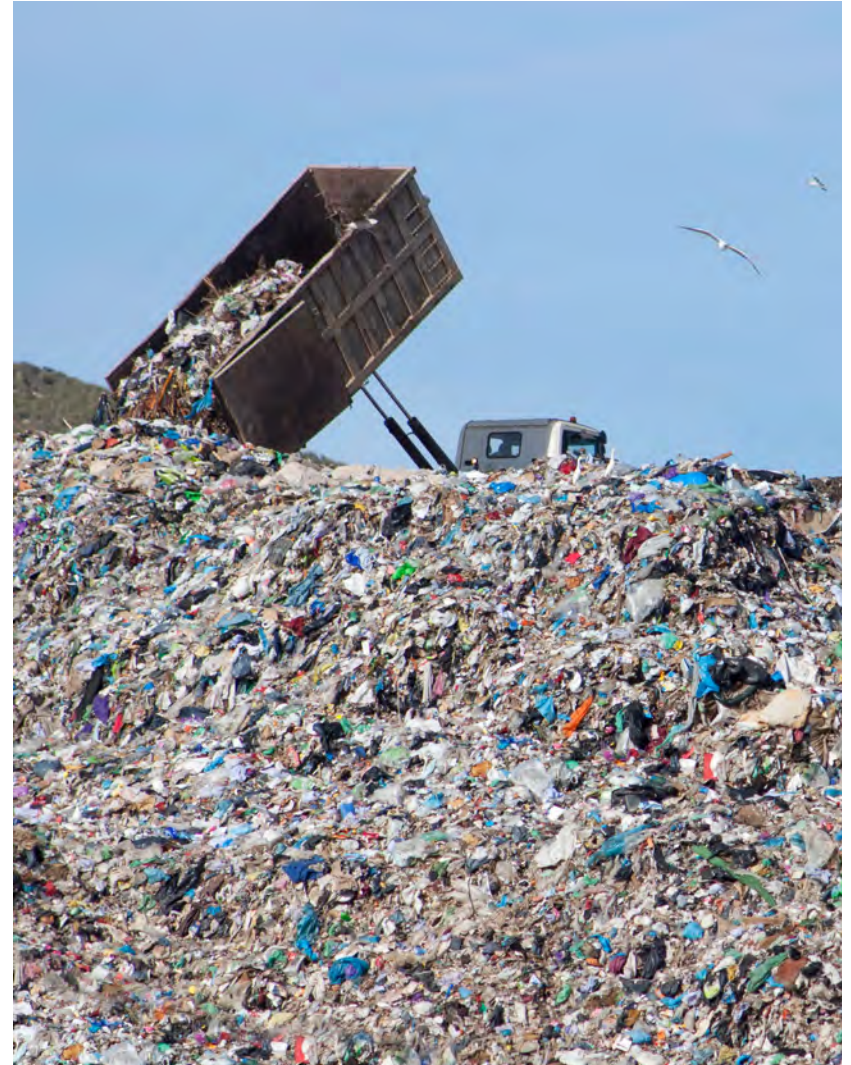
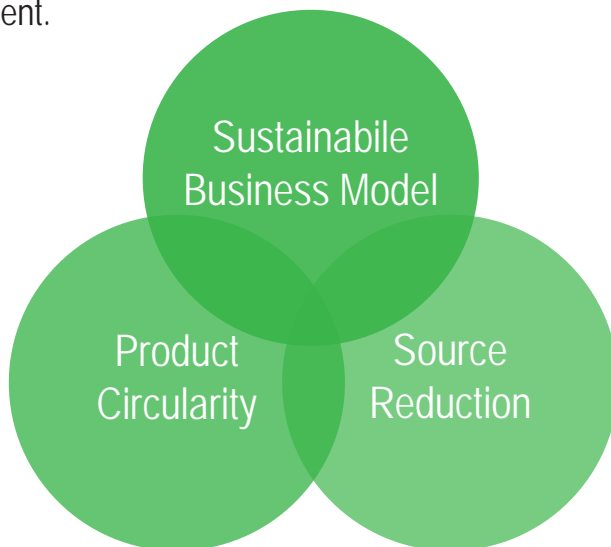
 **Positive Luxury**

# Environment



## Pillar 3: Waste Reduction

The third and final pillar of Sustainability is a focus on waste reduction. While sustainability primarily seeks to limit the impact of inputs on the planet, waste reduction aims to limit the output waste from a business and the negative impact it has on the environment. Piper & Skye has taken a three-pronged approach to accomplishing this based on a sustainability-focused business model, source reduction, and product circularity. Whereas source reduction involves eliminating waste before it is produced, product circularity encourages us to consider what happens to a product at the end of its lifecycle. Together, source reduction and product circularity significantly reduce the amount of waste released into the environment.



# Environment



## Pillar 3: Waste Reduction

ACTION:

## Sustainability-Focused Business Model

Sustainability is not just a trend for Piper & Skye. It is not just a feature of a few of our products that is used to increase sales. It is also not an afterthought added in post-production to jump on the bandwagon. Rather, Piper & Skye was founded based on a business model of sustainability. Our entire business revolves around this tenet. During our ongoing pursuit of B Corp and Positive Luxury certification, this commitment to sustainability was encoded into our articles of incorporation making net income not our sole determining factor in business decision-making. Instead, Piper &

Skye is focused on sustainability and the outcomes of all stakeholders. Each and every aspect of our operations from product design, to business architecture, and even our sales channels, has been designed with sustainability in mind. Since waste reduction plays such a central role in sustainability, a significant part of our decision making is focused on how to reduce waste. The one thread that ties all components of this Environmental section of the ESG report together is our constant and ongoing commitment to waste reduction whenever and wherever possible.



# Environment



## Pillar 3: Waste Reduction

ACTION:

### Source Reduction

The concept behind source reduction is simple: Eliminate waste before it is produced. Rather than trying to deal with massive amounts of waste once produced, products should be designed, marketed and sold in such a way that the amount of subsequent waste is minimized. Source reduction at Piper & Skye is achieved through four channels:

#### Product Versatility

By designing handbags with increased versatility (e.g. the inclusion of multiple straps of different lengths to create different wearing options), we seek to help reduce overconsumption from buying multiple handbags.

#### Product Design

All Piper & Skye handbags are designed to minimize waste through the use of simple and sustainable biodegradable materials, minimizing the number of components used, and avoiding the use of harmful chemicals. Our focus on sustainable design adds further to the beauty of our handbags.

#### Packaging Design

Through the intelligent and thoughtful design of product packaging, Piper & Skye is able to minimize this all-too-abundant waste source. Piper & Skye chooses to source packaging & print materials only from FSC certified companies, and is committed to eliminating the use of all plastics.

#### Inventory Minimization

With many of our bags being made-to-order, and our inventory management system being incredibly lean, we have significantly reduced the risk of unsold inventory ending up in landfills.

# Environment



## Pillar 3: Waste Reduction

ACTION:

### Product Circularity

Waste lying in a landfill can take decades to decompose, all the while releasing potentially harmful chemicals into the environment. The concept of product circularity is based on giving consideration to what happens to a product at the end of its lifecycle. While Piper & Skye bags are designed to be timeless pieces which can be passed down from one generation to the next, we understand that this might not always be the case. Piper & Skye has developed a three-pronged approach to product circularity.

**Repair and Maintenance Policy** With the purchase of every Piper & Skye product, customers are eligible for our lifetime Repairs & Maintenance guarantee. Whether a handbag is in need of a little extra love due to normal wear-and-tear, or a hardware repair/replacement, Piper & Skye will provide the customer with a return label for shipping and complimentary service. The objective of this policy is to minimize the chances of our products sitting on a shelf or ending up in a landfill. We believe that a Piper & Skye purchase is a timeless investment and we want to ensure that our customers continue to find joy in their purchase for years to come.

**Karma Credit Program** Occasionally, a customer may purchase an item and, for whatever reason, not end up using it as often as they had planned. Rather than have this item sit on a shelf or end up in a landfill, Piper & Skye's Karma Credit Program encourages customers to return any lightly used handbags to us in exchange for 40% off their next purchase. These bags will then either be resold as a 'preloved' item, repurposed, recycled or donated to local women's charities where they can be given to women in need.

**Bag-for-a-Bag Initiative** Started in 2018 in partnership with Fashion Hope and the Los Angeles Dream Center, the Bag-for-a-Bag initiative is dedicated to filling nylon drawstring bags with necessities for clients of the Dream Center (a charity that supports survivors of abuse and human trafficking). Survivors are given a hand-filled bag containing such items as toothpaste, toothbrush, shampoo, body soap, deodorant, flashlight, socks, etc.) For every handbag sold by Piper & Skye, one of these urgently needed 'necessity bags' is donated to the Dream Center. Our wish is to one day fill upcycled Piper & Skye bags with these same necessities so that survivors are not only getting the necessities they need, but also have a new handbag to incorporate into their lives as they work to re-enter society free from abuse and violence.

# Social



The 'S' in ESG represents social factors. This captures all ways in which a company positively or negatively impacts people. This includes everything from the treatment of employees through such policies as working conditions, wages, and fair hiring practices, to the types of interactions a company has with the communities in which it operates. While the 'E' in ESG seems to get the most attention in the public sphere, Piper & Skye is a strong believer in the importance of always seeking to improve social factors. With this in mind, and in pursuit of our B-Corp certification, Piper & Skye has legally changed its articles of incorporation to solidify our commitment to stakeholders (e.g. local communities, employees, etc.). The table on the next page illustrates the three social factor pillars that we consider in all aspects of our operations: Employee Satisfaction, Community Support, and Human Rights. Within each pillar, we will discuss the actions we are undertaking to meet these goals



# Social



## Pillars and Actions

Piper & Skye has developed three social pillars which describe how we believe a company should treat its own people, those it interacts with, and the community in which the company operates. By focusing on the three pillars of Employee Satisfaction, Community Support, and Human Rights, Piper & Skye takes care of its own employees, gives back to the communities it operates in, and tries to improve the situation of some of society's, and the world's, most disadvantaged people. This section will delve into the actions Piper & Skye is taking within each pillar to accomplish its goal of making the world a better place for all.

Social Pillars			
	Employee Satisfaction	Community Support	Human Rights
Actions	Above Industry-Average Pay	Partnership with Amazon fishing Communities	Supplier & Manufacturer Codes of Conduct
	Paid Career Advancement Education	Work with Safe Transitions	Internal & External Code of Ethics
	Flexible Work (Hours and Location)	Local Sourcing	Philanthropy



# Social



## Pillar 1: Employee Satisfaction

Piper & Skye Founder, Joanna MacDonald, is a firm believer that not only is a company's success intimately linked to employee satisfaction, but keeping your employees happy is simply the right thing to do. Since the very beginning, maintaining and continually improving workforce satisfaction has been the cornerstone of Piper & Skye's social agenda. As numerous research studies have indicated, employee satisfaction is not only correlated to fair pay, but also to a multitude of other factors. In an effort to maximize employee satisfaction, Piper & Skye has chosen to focus on the following three actions:

**At or Above  
Industry  
Average Pay**

**Paid Career  
Advancement  
Education**

**Flexible Work  
Hours and  
Location**



# Social



## Pillar 1: Employee Satisfaction

ACTION:

## At or Above Industry Average Pay

To retain the best employees, Piper & Skye has committed to paying wages at or above the industry average. In a world where the effects of cost cutting so often fall directly on frontline employees, Piper & Skye has taken the opposite approach in believing that by attaining and retaining the best employees who are most committed to their job, we can minimize costs related to employee turnover, new employee training, and shifting team dynamics. While pay is certainly not the only factor that determines employee satisfaction (see our next two 'Actions'), Piper & Skye has found that by rewarding long-term commitment to the company with fair pay, we have successfully retained a strong core of long-term employees who, given their history together, are able to work collaboratively with above average efficiency and productivity. In other words, paying at or above the industry average has led to above average results.



# Social



## Pillar 1: Employee Satisfaction

ACTION:

## Paid Career

## Advancement Education

Piper & Skye believes that personal growth is equally vital to employee satisfaction as is fair pay. When employees are challenged to build and develop a more robust skill -set, not only do they feel more fulfilled, but Piper & Skye benefits by fostering internal advancement and growth rather than having to hire externally. With this in mind, Piper & Skye is committed to fully funding career advancement education opportunities as requested by employees. In the past year, for example, Piper & Skye has paid for the following educational opportunities:

- Collision Conference - "The Olympics of Tech"
- Brain Station Digital Marketing Course
- Wear Conference - Sustainability within Fashion
- SHIFT Sustainability Conference



# Social

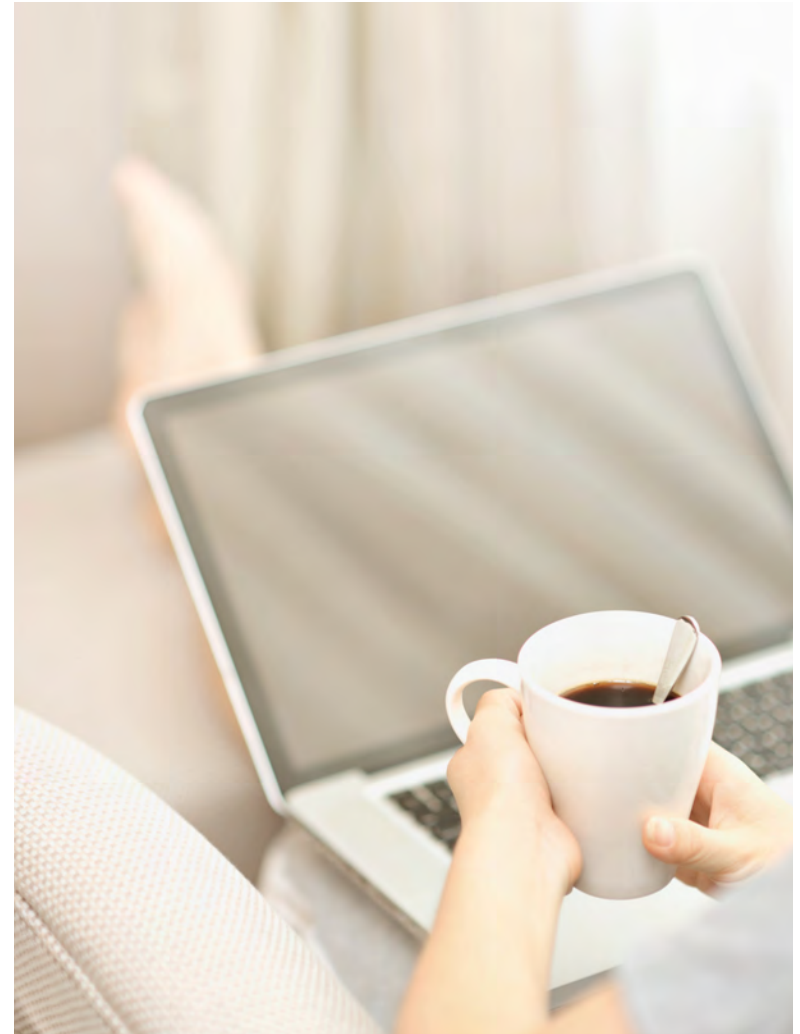


## Pillar 1: Employee Satisfaction

ACTION:

### Flexible Work Hours and Location

The onset of the COVID-19 pandemic ushered in a sudden shift in the working environment of employees worldwide. With in-person meetings no longer possible, virtual interactions and collaboration became the new normal. During the pandemic, some Piper & Skye team members moved geographic locations, including some into different time zones. Adopting a more flexible work schedule, in terms of both location and hours, allowed Piper & Skye to retain valued team members thereby ensuring continuity and minimizing employee turnover. It has furthermore significantly improved employee satisfaction as employees feel less tied to one location and set work schedule. If life pulls one in another direction, Piper & Skye is able to accommodate those needs by offering both flexible work location and hours. It is very difficult to quantify the positive effect of this policy, but from a qualitative perspective, it is undoubtedly significant.



# Social



## Pillar 2: Community Support



Piper & Skye believes strongly in supporting the local communities in which it operates. Whereas many corporations make business decisions with net income as the sole determining factor, we believe that business decisions should simultaneously aim to have the greatest positive societal impact. One of our guiding principles since our founding has been partnership with local communities due to our ability to make meaningful changes at the local level that will directly better people's lives.

Partnership with Amazonian  
Fishing Communities

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Founding of Safe Transitions

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Local Sourcing

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# Social



## Pillar 2: Community Support

### ACTION:

## Partnership with Amazonian Fishing Communities



One of the most significant ways in which Piper & Skye has provided support to local communities is through our decision to construct our handbags from sustainable pirarucu leather sourced directly from local Amazonian villages. In these villages, pirarucu is regularly fished as a food source. Not only does this partnership prevent the pirarucu skins (a food byproduct) from ending up in landfills, but it also directly increases the income of these hard-working fishermen and women. To further strengthen this partnership, in 2022 we made a donation of new fishing nets to one of the local communities to help them enhance their livelihood as, previously, they had relied on less efficient fishing methods which resulted in them being unable to consistently meet their quota set out by the Brazilian Environmental Agency.

# Social



## Pillar 2: Community Support

ACTION:

## Founding of Safe Transitions

Safe Transitions is a charitable organization established in 2020 by Piper & Skye's Founder, Joanna MacDonald, as shelters were inundated with increased demand for safe housing. The purpose of Safe Transitions is to provide housing for women and children who have suffered domestic abuse or are survivors of human trafficking, and help transition them from the shelter system into their own homes. Acting as an intermediary organization connecting shelters with landlords who are able to provide safe housing, Safe Transitions covers up to one year of housing expenses for those in need.



# Social



## Pillar 2: Community Support

ACTION:

### Local Sourcing

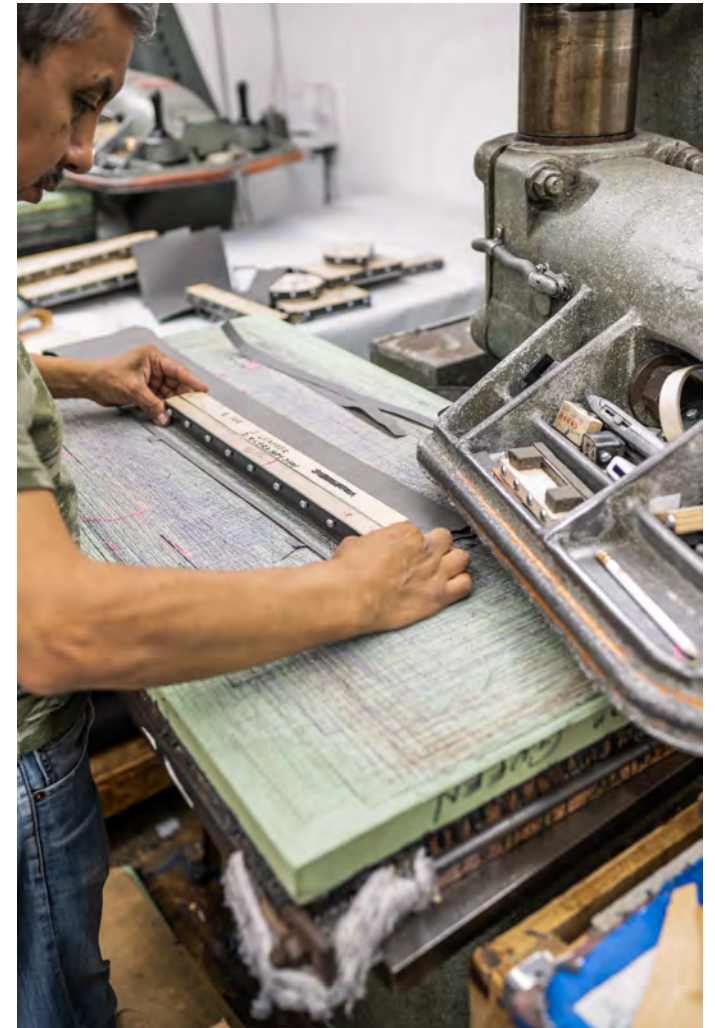
Local sourcing is a frequently overlooked way that a company can be socially responsible. Doing so accomplishes two important social goals: 1) increasing local employment opportunities, and 2) keeping money and investment within the community. This, however, does not have to be accomplished only on a city level. Sourcing nationally, or even within North America can also be considered 'local' if the trend is to source from overseas. Piper & Skye has taken a multi-factorial approach to sourcing locally as discussed below.

#### North American Manufacturing

The vast majority of luxury handbags are produced in Asia and/or large factories with which companies have no real relationship. Piper & Skye has taken the opposite approach by partnering with small family-owned handbag manufacturers in New York City, New Jersey and Detroit.

#### Local Partnerships

When partnerships reach across international borders, Piper & Skye aims to give them a local feel. This is best exemplified by our relationship with the Amazonian village from which our unique pirarucu leather is sourced. While not 'local' in the traditional sense, the intimate nature of the relationship gives it a local feel.



P I P E R & S K Y E



# Social



## Pillar 3: Human Rights

Piper & Skye's commitment to human rights does not end at its own doorstep. In addition to internal policies such as our Internal Code of Ethics, we have developed an extensive set of extenal policies that apply to our stakeholders to ensure that their values and business practices align with our own. These policies cover such topics as child labour, minimum pay, working conditions, break times, etc. Our development and implementation of these policies is due to the fact that we believe it is simply unacceptable to turn a blind eye to the practices of one's business partners. As a company, Piper & Skye is much bigger than itself. We are the sum of all stakeholders from suppliers and manufacturers, to marketers and distributors. Progress on human rights issues is best achieved when we all work together.

[Supplier and Manufacturer  
Code of Conduct](#)

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[Internal & External  
Codes of Ethics](#)

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[Philanthropy](#)

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# Social



## Pillar 3: Human Rights

ACTION:

## Supplier and Manufacturer Codes of Conduct



A business does not only exist within company headquarters. With extensive supply chains involving material suppliers, manufacturers, wholesales, distributors, and retailers, Piper & Skye is the sum of all of these parts. It is no longer acceptable for a company to turn a blind eye to the actions of its suppliers or manufacturers and pretend that it is not also responsible for those actions. For this reason, Piper & Skye has spent a substantial amount of time developing extensive Supplier and Manufacturer Codes of Conduct that outline the values and behaviours that our business partners are expected to exhibit. These codes of conduct cover a wide array of principles and are broadly based on regulations/suggestions put forward by the international declarations listed below. Any deviation, is considered grounds for termination of the business relationship with Piper & Skye.

- Universal Declaration of Human rights
- Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- UN Convention Against Corruption
- UN Global Compact
- Ethical Trading Initiative
- The CEO Water Mandate
- ISO Standards

[Read our Supplier Code of Conduct](#)

[Read our Manufacturer Code of Conduct](#)

# Social



## Pillar 3: Human Rights

ACTION:

## Internal & External Codes of Ethics

Piper & Skye was founded on the three intertwined company values of Responsibility, Respect and Community. In all aspects of our internal and external business, we strive to abide by these values. As a company, it is easiest to keep our own house in order, but we also recognize the importance of only doing business with companies who share the same perspective. The Internal and External Codes of Ethics are an expression of Piper & Skye's principles and values, and therefore play a central role in shaping how Piper & Skye conducts business. Strict compliance with these standards is required of all internal and external stakeholders.

[Read our Internal Code of Ethics](#)

[Read our External Code of Ethics](#)



P I P E R & S K Y E

# Social



## Pillar 3: Human Rights

ACTION:

## Philanthropy

Piper & Skye believes that giving back is one of the responsibilities of any successful business. As a luxury handbag company, we are in the unique position of creating beautiful artisanal handbags to be worn during the happiest moments of one's life. At the same time, we recognize that many people in the world are not so fortunate and may be experiencing unspeakably difficult hardships. It is therefore a goal of Piper & Skye to be continuously searching out philanthropic initiatives to help ease suffering and better the world around us. These initiatives take many different forms from the founding of charitable organizations, to donations to local communities and grassroots organizations.

### Founding of Safe Transitions



Established by Piper & Skye Founder and CEO, Joanna MacDonald, Safe Transitions was developed to help relieve overcrowded shelters in the Greater Toronto Area by connecting survivors of domestic abuse and sex trafficking with otherwise vacant rental properties.

### Ukraine Initiative - City of Good



Through June 30th, 2022, Piper & Skye donated 40% of all sales to a women's shelter in Ukraine called City of Good. This organization provides shelter to women and children fleeing domestic violence.

### Mask Donations - Sew Here's the Thing



At the onset of the COVID-19 pandemic, Piper & Skye employed over 30 home-based sewists to produce masks for women in shelters. These masks were donated to over 20 women's shelters across Canada.

# Governance



The 'G' in ESG represents Governance. Corporate governance is defined as the internal system of practices and controls a company has to govern itself responsibly and make decisions. This structure is designed and implemented to ensure that all actions of a company are aligned with its corporate ethos. Having a comprehensive system of checks and balances in place to identify and correct issues early is of utmost importance. Similarly, ensuring that a company's entire governance team (senior leadership, board of directors, etc.) are champions of the company's stated goals and directives, will ensure consistency with the core tenets and ethos of the company.

Piper & Skye's Founder, Joanna MacDonald, provides the first layer of governance. It is Joanna's vision, values and beliefs that are infused throughout the Piper & Skye brand and this ESG report. An effective governance structure has been designed around the key values of Piper & Skye to ensure their consistent application. This section will describe these structures in detail.



# Governance



## Governance Pillars

The governance system Piper & Skye has chosen to implement is a collection of checks and balances that ensures that all business decisions and facets of daily operations are consistent with our corporate values of Responsibility, Respect, and Community. At the highest level, Piper & Skye has amended its Articles of Incorporation to give us the ability to act in accordance with our corporate values rather than just seek to maximize profits. Stakeholder compliance with our codes of conduct helps ensure that all of our business partners act consistently with our vision. Finally, SDG and ESG reports, in addition to certification audits (e.g. by B Corp and Positive Luxury) are a means of providing transparency to those outside of Piper & Skye, ensuring that all aspects of our business are living up to our corporate values.

Governance Pillars			
Amendment to Articles of Incorporation	Codes of Conduct Compliance	SDG and ESG Reports	Certification Audits

# Governance



Pillar 1:

## Amendment to Articles of Incorporation

Sustainability, and a desire to improve the world around us, have been a central focus of Piper & Skye since its founding. While we believe it is profitable to do good, there are times when the most profitable avenue does not best serve the greater good. One of the requirements of B Corp certification is to amend Piper & Skye's Articles of Incorporation to focus not solely on increasing shareholder value at the expense of all else, but rather, to consider a broader group of stakeholders including employees, consumers, and the environment. This broader focus allows Piper & Skye to conduct business in a way that benefits its employees, society, and the environment, even if the profits from these decisions are realized over the longer term. We can think of no better way to show our commitment to our values of Responsibility, Respect, and Community.

*"The directors shall, acting fairly and responsibly, consider the short-term and the long-term interests of the corporation, including, but not limited to, the corporation's shareholders, employees, suppliers, creditors and consumers, as well as the government and the environment (the "Stakeholders"), and the community and society in which the corporation operates, to inform their decisions".*

# Governance



## Pillar 2:

## Compliance with Supplier & Manufacturer Code of Conduct

It is not enough to simply claim that Piper & Skye governs itself in such a way that is sustainable and consistent with our corporate values of Responsibility, Respect, and Community. A company is much more than just itself. It is the sum of all its relationships with manufacturers, suppliers, and distributors. This is why Piper & Skye places such a strong emphasis on creating and maintaining strong working relationships only with partners who share the same commitment to our corporate values. Simply put, if a company wants to work with us they must prove that they share the same corporate ethos. The result of this is a broader positive impact on the communities in which we work, society, and the environment. The primary way that Piper & Skye ensures this consistency is through our Supplier and Manufacturer Agreement & Business Codes of Conduct. All of our partners must sign this agreement that outlines the way in which we strive to do business (See list of items to right). Piper & Skye maintains the right to audit each partner with respect to any of the listed items, and cease the working relationship if any breaches are found.

## Content of Our Codes of Conduct

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- Involuntary Labour
- Child Labour
- Clandestine / Undeclared Employment
- Coercion, Harassment, Discrimination
- Compensation and Working Hours
- Health and Safety
- Freedom of Association
- Compliance with Local and National Law
- Accounting Standards
- Anti-Corruption
- Money Laundering
- Trade Restrictions and International Sanctions
- Information Transparency
- Intellectual Property
- Animal Welfare
- Traceability
- Environmental Responsibility

[Read our Supplier & Manufacturer Business Code of Conduct](#)



# Governance



## Pillar 3: SDG and ESG Reporting



Piper & Skye believes that transparency with its consumers and the general public is one of the most effective means of governance. By making our actions viewable in the public sphere, we have taken the first step of commitment towards continuous improvement. SDG (Sustainable Development Goals) and ESG reports are the two methods that Piper & Skye has chosen to communicate our sustainability efforts with the world. While these inaugural reports provide more of a descriptive overview, our hope is to soon incorporate a large set of relevant metrics that will help us quantify our progress and identify areas requiring improvement.

### SDG Reporting

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The 17 Sustainable Development Goals (SDGs) were created by the United Nations (UN) and adopted by all member states in 2015. The purpose of the SDGs is to create a blueprint for global peace and prosperity. Businesses also play a significant role in SDG achievement. From supply chain decisions to office policies, to employee relations, product materials/design/packaging, and circularity, every aspect of a business provides the opportunity to consider how it may be aligned with the SDGs.

### ESG Reporting

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ESG reporting is a way for companies to communicate non-financial performance when it comes to environmental stewardship, social factors, and governance. It is based on the idea that maximizing a company's profit is not always the sole objective. Instead, stakeholders (e.g. customers, employees, communities, suppliers) are beginning to choose which companies they do business with based on non-tangible and non-financial indicators such as respect for the environment, support of one's community, and treatment of people.

# Governance



## Pillar 4:

## Sustainability Certification Audits

The pursuit of sustainability certifications such as B Corp and Positive Luxury is not only a sign of excellence that consumers can refer to when shopping, but is also a way to ensure that a company stays true to its values through the external auditing process. Achieving B Corp and Positive Luxury certification requires an extensive application process during which each organization examines all aspects of business operations to ensure that you are worthy of displaying their mark of excellence. But accountability does not end there as maintaining one's certification requires continuous reporting and recurring audits. This form of external governance will ensure that Piper & Skye maintains its focus on sustainability, and in doing so, continues to deliver on its promise to craft beautiful sustainable handbags while making the world a better place.



### B Corp Audit Process

The process to achieve and maintain certification is rigorous and requires engagement from all teams within the company. To maintain certification, a company must update their Impact Assessment and verify their updated score every three years.



### Positive Luxury Audit Process

Positive Luxury's Butterfly Mark certification is an independent, globally respected trust mark awarded to luxury brands, retailers and suppliers that meet the highest standards of verified ESG+ performance. The certification process is rigorous, independent, and is underpinned by the latest international standards, global legislation and best practice principles.