Tapestry reveals new environmental, social and compensation initiatives

By Robin Driver - July 29, 2021

NYC-based luxury group Tapestry, Inc. announced a series of new environmental and social initiatives on Wednesday, including the launch of the Tapestry Foundation, the expansion of the company’s “Our Social Fabric” corporate responsibility agenda, and the implementation of a $15 minimum wage for hourly employees.

The company, whose brand portfolio includes Coach, Kate Spade New York, and Stuart Weitzman, said that the newly launched Tapestry Foundation will focus on “supporting social and environmental programs focused on access and opportunity, while nurturing the vibrancy of our global communities.”

Tapestry has made a contribution of $25 million to the fund, while the Coach Foundation has committed to granting $25 million to the new initiative. This will allow the Tapestry Foundation to take over some of the ongoing organization-wide programs that are currently dealt with by the Coach Foundation.

The foundation will be overseen by a board of directors made up of senior Tapestry managers, as well as Anne Gates, who also serves as an independent director at the company.

In terms of the new developments in Tapestry’s “Our Social Fabric” corporate responsibility agenda, the company announced that, starting 2022, 10% of its global leadership’s annual incentive compensation will be tied to equity.
announced that, starting 2022, 10% of its global leadership’s annual incentive compensation will be tied to equity, inclusion and diversity goals, an initiative intended to encourage leaders to create a diverse and inclusive culture in the company.

Tapestry also announced that it will be giving all global employees, including those working in its corporate offices, retail stores and fulfillment centers, one paid volunteer day a year. In this way, the company, whose employees have logged 42,000 volunteer hours since 2019, hopes to accelerate progress towards its objective of accumulating 100,000 volunteer hours by 2025.

Other new targets for 2025 include doubling the reach of Tapestry’s goal to give factory workers in its supply chain access to empowerment programs, which now aims to reach 100,000 people, as well as the environmental target of procuring 100% renewable electricity in the company’s stores, offices and fulfillment centers over the next four years.

Finally, the luxury group announced changes occurring in its employee compensation strategy. As well as setting a new minimum wage of $15 per hour for its U.S. employees, the company revealed that it will be paying one-time appreciation bonuses of $500 to store associates and $1,000 to store managers in recognition of their work during the pandemic.

“At Tapestry, we are committed to leading with purpose to stretch what’s possible both within our organization and the world at large,” said Tapestry CEO Joanne Crevoiserat in a release. “The initiatives we are announcing today, including the formation of the Tapestry Foundation, the expansion of our corporate responsibility goals and our incremental investment in our talent, represent an important step forward on this journey. Further, our resolve to making the world more inclusive, sustainable and safe has never been stronger.”

Tapestry reported net sales of $1.27 billion in the third quarter, an increase of 19% year over year, and income of $92 million. The company currently expects to report its fourth-quarter and full-year results on Thursday, August 19.

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