

Simon:

The more time you spend in the great outdoors, the more aware you become of our need to take better care of it. And that starts with what we make and what we buy, for that's where the greatest harm or good can be done. In fact, the higher the standard you hold yourself to, the more pressure you put on an entire industry to transform. And that's when solving for our future becomes super interesting. No industry is more aware of this than apparel and no category is under greater scrutiny than extreme outerwear that allows you to enjoy the very environments that are under threat. So what can a leader in this field do to drive business growth and serve the planet, while also putting the entire industry on notice? It's a heady mix of performance, innovation and transformation combined in ways that keep you warmer and the planet cooler. Let's find out how.

From We First and Goal 17 Media, welcome to Lead with We. I'm Simon Mainwaring, and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. And today I'm joined by Gavin Thompson, vice president of corporate citizenship at Canada Goose, one of the world's leading manufacturers of extreme weather outerwear, dedicated to purpose and values-driven innovation that delivers sustainable growth and meaningful change. And we'll discuss how to level up your sustainability credentials in ways that build brand reputation, trust and sales. And how to engage suppliers, employees and consumers in ways that will inspire your whole industry to raise its game. So Gavin, welcome to Lead with We.

Gavin:

Thanks, I've been really looking forward to this discussion with you.

Simon:

And Canada Goose is a brand that I think everybody knows. And it's synonymous with Canada, it's synonymous with sustainability, but I don't think people quite know a lot about the brand and its 60 year history. Would you be able to give us just a level set on what the company is and sort of the product categories it has? Just give us a sense of a shape of it.

Gavin:

Absolutely. Yeah. We're incredibly proud of our now over six decades history in Canada and now around the world. We obviously are, the origins are an outerwear company that quickly evolved over the years into a luxury performance brand. Sustainability has been in our DNA for the past six decades. I think really in the past probably five years, we've really formalized it and really gone after it in a big way as we've seen the world change. We look at sustainability not only as our purpose to keep the planet cold and the people on it warm, but also we look at it in our products, in our culture, in the way we operate as a business around the world. It's literally something, I've worked for big global brands in this capacity and I've never seen an organization or worked for an organization like Canada Goose where from the very top of the organization, even at the board level, right through the entire group, it's felt in all the corners of the business. And it's something that I'm incredibly proud of and I know our teams around the world are too, because the engagement of our employees, our partners, our entire value chain around sustainability is just unmatched, I think.

Simon:

And sustainability, ESG, climate, carbon, biodiversity, they're all so top of mind for every company now. The dialogue is so loud and nuanced out there. But before we go there, I want to step back and ask you to explain a term that you just mentioned, that for those in this world it makes sense, but it's a bit inside baseball, like luxury performance category. There seems an inherent tension in there. So just give us a sense of where do you play?

Gavin:

Yeah, I think the term luxury itself has evolved. I think luxury at a time, I'll call it old luxury, was about price and exorbitance and exclusivity. And where we've seen luxury evolve into now is it's more about, I believe that we've created our own space within luxury, and with performance luxury, we enable people to live in the open, to get outside and look really good doing it. And we're a function first company, too, within luxury, which is quite a unique space to be in as well. Our products are built, they're built for a lifetime. They're built not just for a season or for a point in time. They're built, I mean now with our new eCommerce platform, they're built for generations. So it's something that I think we've got a very unique space within luxury, that we can define our own space within luxury.

Simon:

And the reason I pointed to that was, as you said, the meaning of luxury has evolved. And what is luxury to a lot of people now is for something to be sustainable, for something to be an object, an item that they wear that reflects their values. And so pointing back to your sustainability, your platform is called Humanature, like this collapse of the two words, human nature, and they share an N in the middle there, which is a very clever way of framing it. Every company today has to have some sort of platform, some overarching narrative as to their sustainability commitments. So what does human nature mean at Canada goose?

Gavin:

For me, I mean within my role of Canada Goose, the thing that I love, you nailed it, is there's a sweet spot. There's keeping the planet cold, which we're always firing for right now. I think we are in a situation globally where all of us need to act, we need to stop talking about it, it's time to just do something. And that's where I think that keeping the planet cold resides for us, under human nature.

I think also too, we're stretching into biodiversity. We've had longstanding partnerships with Polar Bears International, with Students on Ice that are educating this next generation of individuals that are going to be saving the world. We also work with groups like Hearts In The Ice, these two incredible women that are bringing awareness about global warming to the rest of the world. These are relationships and investments that we've had over the years that we've been incredibly proud of and we put some products behind it, we have a whole Polar Bear's International product line. But what's happening there is we're seeing those investments really start to come through and resonate with our consumers as well.

But also too, for me, again in my role is Canadian warmth. This feeling of keeping people warm and I'm not going to get too mushy, but as you know, that sort of warm Canadian hug, but that's how we respond around the world. When things happen around the world like the situation in Ukraine, we donated 10,000 units of our product immediately as soon as we heard that winter was coming, we wanted to help keep those people warm. So that's a great example of keeping people warm outside of the functionality of our products.

Simon:

I think that's a really powerful example. And I mean with this constant diet of crises out there, that there are opportunities for brands to sort of exercise their values in ways like that. And I've got to take no offense at a warm or mushy Canadian hug. I mean, I'm in Australian, man, we've got the whole g'day mate, shake your hand, everyone's the same. So it's all good mate, we've all got our ways of being in the world. And you know, mentioned how you've been really leaning into it in the last few years and you made a really bold shift away from fur to reclaimed fur and eventually phasing out fur altogether.

Gavin:

Yeah.

Simon:

Obviously that's a big decision and it's really emblematic of the fact that as there's more scrutiny from all stakeholders, there's higher expectations. You set your own kind of goals in terms of how you're showing up in the world. You make these shifts and that's not easy for any company to do. So how do you make a transition like that, whether it's through the lens of your supply chain, out to your consumers, deciding to make that decision at a board level. What did that look like?

Gavin:

Yeah, I mean you nailed it, Simon. That was probably one of the most iconic decisions as a brand we've made. We're constantly evolving and changing and we love a big challenge. And I think the term 'pivot' is far too over used, but I think when it comes to fur in particular, this was something that, it was a decision we didn't take lightly, by any means. We looked at this from all aspects, from all, I'll call it from all lenses, but we really led this decision with sustainability and innovation in mind. We knew that it was the sustainable decision to make ultimately by moving away from fur. But we also knew that our innovation team, who's an incredible group of global talent, could help us keep that functionality within our products, and we didn't need to do it with fur.

You mentioned reclaimed fur, that was part of the journey. As we started to, over the past few years we've been really looking at our products and what they're made up of. We have something that we call preferred fiber materials and it's literally this matrix of all the materials that go into our products and we've broken it out into ones that are sustainable and socially good and others that we will never use. And shoot, I think it was just over two years ago we came out with our most sustainable product ever, the standard expedition parka. And that was really interesting. We took our top seller, the Canada Goose expedition parka, and took it down to its bare bones. And we literally did a lifecycle assessment of that product and we said, this is how much water it uses, this is how much carbon it produces. And our end goal was to produce both of those, but to also sort of have some fun with our design and our product and our innovation team on how they could make this beautiful silhouette of a parka into something that's our most sustainable offering ever. That was where reclaimed fur kicked in.

Simon:

And I was just thinking one of the, I don't know, hallmarks of this moment in time in the last few years have been so crazy for any business, is the competing pressures that any company finds themselves feeling. For example, you've got rising ESG regulation, you've got the potential of ecocide legislation, you've got regulation, you've got higher stakeholder expectations. At the same time there's fears of recession and inflation and a pullback in consumer spending and so on. And a lot of that can paralyze a company. So when you are faced with making a decision that's a function of your purpose and values in an environment like this, how do you navigate that decision making process? Because it's very easy to

kick the can down the road. Or it's very easy to sort of say we have to do it now because there's media activism or consumer activism or whatever it might be, like what is that thought process? Because I think everyone listening is facing all of these pressures and having to make very strategic decisions right now.

Gavin:

I think the worst thing you could do right now is to hesitate or to wait, but also too, I think you need to obviously make informed, educated and obviously well-resourced decisions where you talk to pretty much all your stakeholders. Like a decision to go fur free involves, it involves our suppliers, it involves the communities that we've supported, it involves employees, it involves our board, it involves pretty much everybody in our ecosystem. And that's why I said in the previous answer was this is not something we took lightly. This was something that we wanted to make sure we were making the right decision for the business at that point in time. But it's also too, it was something that we knew we could move through and I think we've done it quite successfully.

I think when we made the announcement in 2021 that we were going to stop the purchase of fur, I think it was people were looking to make sure that would happen. And then this past year was when we stopped the production of fur and so we are officially now fur free. We said, we've made this decision, here's our roadmap, boom, boom, and we're going to stop purchasing and we're going to end production and that's it. And we're coming out, I think, really well on the other side of it as well.

Simon:

Well speaking of coming out the other side, everything's a story to be told by a company, especially when you're upgrading what you are doing and kind of leaning into your values and sustainability commitments. So what do you do in a situation like that? Would that moment in time plan free launch and say, this is what we're going to do. Do you announce it with press releases? And then what about the consumers who might not necessarily agree with the decision or want to engage with you in a dialogue around that? How do you manage through that process?

Gavin:

Yeah, that was one, again, we didn't take lightly. So we reached out to, we had to speak to indigenous communities, we had to speak to organizations that had supported the decisions in the past that we've made. We had to obviously share with our employees what we were about to do. And then ultimately I think then you let your consumers know, and then you'd sort of take that, put it out there publicly and you see what comes back to you. And I think if you do it the right way, you will see that consumers will join you on that journey. I think now the part of the journey we're in right now is we're sort of reminding people that we are fur free, because I think we moved pretty quickly through the decision and I think it's always important to take everybody along on that journey with you.

Simon:

Yeah, it's interesting, isn't it? I mean it's a double-edged sword. It's a hard decision to make then you've got to take everyone with you at the same time.

Gavin:

Yeah, exactly. And it's hard sometimes to take everyone with you, but I think it's manage as much as you can up front, so there's not that surprise or that shock of why you've made the decision. But at the same

time, there are some others that after you've made the decision, you're going to have to bring them into it and tell them the reasons why you made that decision.

Simon:

And you could justify a decision like that on the basis of your core values and sustainability commitments. And that in and of itself is a reason enough, but at the same time, I'm sure it's delivered value to the business, even though it's early days. Can you speak to, because there's so many companies out there having to make equivalent decisions specific to their industry or product category or whatever, have you seen, was there an employee response? Was there a customer response? Has it added value to the business in ways you can speak to?

Gavin:

Yeah, I think it has. A lot of people saw the way we were moving was sustainability and the way we were pushing forward in that front they said it makes sense. And the time in the business as well on the way we were growing globally and as you mentioned earlier where we're seeing some regulatory restrictions coming into play and things like that. It was like this, I won't say just, I'll say it, it was like the perfect storm where you had to make that decision in that moment and say we're doing it and we're sticking to it.

Simon:

Right. And I know that this is all an expression of these bold sustainability goals that you really sort of kicked off in 2020. And you partner with Bill Nye, who's obviously a leading environmental authority and so on. So give us a sense of why that partnership with Bill was important. And I got a sense that there was a very much a round table feeling to how you co-created these goals. So give us a sense of that process.

Gavin:

Yeah. That was a lot of fun. I mean, first and foremost meeting Bill Nye was phenomenal and sitting down with him and taking him through our goals, taking him through that sustainability impact or sustainable impact strategy that we've been working on. And to have someone of his caliber sit there and go, "You guys are doing this right." He looked through all of the things we were working on. He looked at our net zero by 2025 goals. He looked at how we were changing our product material builds. He looked at how we were getting plastic out with all of our operations. He liked where we were going directionally with our packaging goals of 100% sustainable materials within our packaging by 2025.

And I think what I really liked about Bill was the way that he would make it so, he can cut through everything and just be able to say, "I like what you're doing here. I think what you did here was very bold. You're going to have some challenges over here." And so for him to go through our entire plan like that and it was great. And then for him to actually, at his level of celebrity, you're dealing with one of the biggest minds on the planet and for him to say, "I really like what you're doing," is probably one of the strongest endorsements I've ever seen. Well, it was phenomenal. And to be able to sit on a round table with him and he's very inquisitive, so he got right in there when we were talking about our plans and everything like that. So to have someone like Bill Nye pressure test your sustainability plans was huge.

Simon:

And speaking of pressure test, I'm always sort of playing devil's advocate in my mind because there's no mission without a margin, shall we say. And there's all the pressure on business and all the toll that the last few years has taken. So when you are having a conversation with someone like a Bill Nye and he's saying, yeah, there are these areas where you can have some challenges here and so on and there's a CapEx or an OpEx or a supply chain kind of cost to that, a literal cost to the business, and you've got those in any company who sit there and say, wait a second, that's going to hurt our bottom line, or that's going to sort of disrupt our sales or it's going to take us off course financially. How do you resolve that tension? Because sustainability is looking to the longer horizon, yet you've got a lot of companies that are looking at short-term gains.

Gavin:

Yeah. Or that want to see an immediate ROI. We're very intentional, as I mentioned before, that talk throughout the organization. And we have a fantastic CFO, as well as a great obviously chairman and CEO that are visionary and they see the longer game. And that's where I believe, where I mentioned earlier, some global brands will departmentalize sustainability or put it in, I jokingly say nobody puts Baby in a corner, but they put it over here and it's something they can point at. Whereas ours is fully embraced. So when I say to the organization, in order for us to meet our carbon zero aspirations, we're going to have to invest capital, we're going to have to make some pretty big investments within our supply chain, everybody leans in, they're like, okay, tell us more. What do we need? And for an organization like that to feel so incredibly well-supported, both financially but also with the entire power of the organization, is a really great place to be in.

So I guess I am lucky or we are lucky that we have sort of those visionaries. And I think that the challenge now is businesses need to look beyond the next three fiscals. They need to really start to look for, and I think sometimes too, people see these massive goals around carbon zero and the reduction of plastics and things like that that are 2040, 2050 goals. And for us it's like, you know what, pressure test yourself. Really go after things. When we were building our original plan, I came back to our executive team, I had a 2040 goal, I had a 2040 plan laid out and they said, "We need more." And I was like, okay. So we rebuilt it, did it around science based targets, initiatives and things like that, really made it formulaic and created a 2030 goal. And they said, "That's not good enough." That's how we landed on 2025. And here we are.

Simon:

Yeah, I'm happy to hear 2025 because I mean, I think, firstly, every time we hear that there's a reassessment of climate targets and goals and performance individually or as an aggregate globally, we're never getting as far as we need to get to and the consequences of which are actually those timelines are contracting towards us. So I think it needs to happen across the board. Have you seen a trend in and amongst your customer base, especially those who can afford to spend more on the gear that they want to wear, where they're increasingly wearing their values? That it is, are you seeing that there are market forces rewarding these decisions? It's not just about being responsible to the climate and our future?

Gavin:

Absolutely. I think, it feels to me like it's sort of like if you're sitting on the sidelines watching, you can see this change happening. And I think, to be honest with you, I think the global pandemic accelerated a lot of this. It gave consumers deeper choice, it gave consumers a lot of power and it also showed that consumers will come out with their voice and challenge brands to be better or to do more. And

originally I think it was always on the government, the government has to make this change, the government has to enact this change. And now what I think you're seeing is no, no, no, this needs to be all of us.

And I think, yeah, consumers will either praise or punish with their purchase. And that's what you see, is if you're willing to go that extra mile and put really good materials in, but sustainable materials, you're able to behave as a good company. And if you're able to, in a sense, have that future view to say, we don't want to just be here now to make as much as we can in this instance, we want to literally be around, we want to truly be a sustainable business, which means be around for another 1,600 years.

Simon:

Exactly. I think in both senses of the word, I mean the investor class has shown up really meaningfully now and they're saying we don't want invest in companies that aren't literally sustainable and that they're not set up to succeed in the future. And I actually don't think, you know, you said Covid accelerated this process, and I think a lot of us might sometimes think, wow climate's gone crazy and nature's doing us a disservice, but it's actually doing exactly what it's supposed to do. It is giving us a very accurate feedback loop where the way we're showing up as a species on the planet is causing conditions that are compromising our own wellbeing. So it's not doing anything wrong, it's just telling us the results of what we've created. But do you ever feel like, is there a tension between sustainability and design? Is there ever a compromise from a sort of product development and innovation point of view? Or as you lean into this more and more you're like, oh no, we've just solving for a different brief and we're just, it's a better design?

Gavin:

Yeah, I think it's a good tension. I think there is tension for sure. I mean we have incredibly high quality and quality and integrity that we go through whenever we build a product. And with our innovation team that I mentioned earlier, they're looking at every single little bit of material that goes in. From our Artic-Tech, which is a massive proprietary fabric that we use, to our down, right through to buttons and trims and zippers and things like that. So they're looking at every little piece, but at the end of the day, we want to be able to hold up that product and say does this meet our criteria of being functional luxury?

And it's not without its challenges. We've gone through many iterations, like Kind Fleece that we just brought out to the market, we landed on a material called Sorona because the other materials that we were trying weren't meeting our elasticity tests and things like that. Which is frustrating because you think you're heading down a great path and you kind of have to go back to the drawing board, but at the end, that tension that you mentioned creates an amazing product.

And I think the greatest tension that I would hope people will embrace is we need to move towards more sustainable materials. I think there was a time and a place years ago where sustainable materials were viewed as not great, they're going to fall apart, but now it's like these things are built to last as well. So I'm really excited for the world of sustainable materials that are coming at us right now and what that's going to do from a consumer mindset as well.

Simon:

And you're a legacy company in as much as you're 60 years old and I was wondering whether leaning into sustainability in these new ways, has that actually almost reanimated the company? Has it kind of, like in terms of made in Canada, has it been a breath of fresh air for the brand? Because every company

after decades and decades, you want to keep yourself fresh and relevant out there. So has it helped your kind of foundational brand in the first place?

Gavin:

I think it has, but I think it's also, like I mentioned, it's been part of our DNA. It's just, I think it's more that consumers are taking notice of these things now. And it's like they're starting to really look at brands that mean a difference to them or brands that they're interested in and they're saying, but wait, let me scratch behind the surface here. Are you really doing what you're saying you're doing? And I think that the next generation of consumers are going to be fantastic for that because they are going to keep everyone in check. It's going to be are you truly good to the world? Are these claims that you're making valid? Are your goals reachable and are your goals going to happen within my lifetime? I think is the way a lot of these people are looking.

But it's also, it's something that needs to happen. It's that we need to stop sitting and talking about it and just, you and I were saying earlier, just do something. Just take that step and it's risky and your heart lurches when you do make some of these decisions, but at the end of the day you're doing something that ultimately is going to be good.

Simon:

And you're talking about consumers and I think it's a double-edged sword. Companies have to do something, but consumers have to do something as well. They need to walk their own talk. And I hear a bit of hesitation in some companies, especially when you look at clean beauty or clean food or clean apparel, in terms of if you look at the research, consumers say, well actually if you ask us will we prefer to buy a more sustainable product and will we pay a few pennies more or dollars more for that, and yes we will.

And the vast majority say they will and in a sense you're worried that they're leading the witness because it's a kind of, how do you answer no to that question? But at the checkout, at the counter point of sale they balk and they still kind of prefer to go on price. So my question is, do you find that people are paying for that sustainability premium? And how are you telling that story at point of sale or online through eCommerce platform and so on in a way that's going to inspire them to actually embrace it even if it costs them a little bit more?

Gavin:

I think this is something that's going to take a bit of time, to be totally honest with you. I think it's something, I mean you nailed it. I believe the status is somewhere between 60 to 70% of consumers will pay a little more for something that is sustainable or better for the world. I think there's still, there's a lot everybody has to do to get to that point. I think fast fashion is something that's a big challenge right now. It's something that our industry needs to figure out as well. I believe we have a good place in there that we are very slow fashion, like I said before, we are built for a lifetime.

But to make those initial purchases as a consumer, I think if there's anything that consumers, I would say that consumers have to do, and it would be to do the research. Have a look. Dive deep into that brand's website and see what hangs behind that product. How transparent are they about the ingredients that are inside of that shirt you're about to buy? And that's why I was saying earlier that I think some of these things accelerated during the pandemic, because we had a lot more time at home to do this research and look at these things. Consumers really honed in on brands that they wanted to see do better or



brands that they wanted to elevate because they were doing better, and you see that from the way they purchase.

Simon:

It points to a question that I always, sort of rattles away in the back of my brain. We're seeing more, especially in the footwear and apparel category and even in the sort of outdoor category, companies talking about renting gear or up cycling or re-commerce. And that is great in terms of sustainability, but it also means arguably you're selling less product because products live longer in the supply chain and they kind of live through generations as you say. How do you resolve that with growth and bottom line considerations, because arguably your products are being worn longer and you're creating less need for new products. How do you resolve that tension?

Gavin:

Yeah, it's interesting because we just launched Generations, which is our resale platform and we're also trialing rental with a partner in the UK, Selfridges. And I think, the thing that I like about it, not only are those two sort of pinnacles of sustainability, you're literally giving a second life to a product and you're keeping things out of, it's all the things we know, you're keeping it out landfill, you're keeping it out of any waste stream or anything like that. But the thing that I think is really unique about that, and I think this is where you're getting to with the question, is it gives people that are curious about your brand or that may not be able to jump at your brand at a current price point, it's giving them an entry point. I could go out, I can go try this on wear for a couple of days, weeks, months, and they give it back and see how I like it and maybe someday I'll purchase that.

Whereas with resale, luxury resale in particular, we're really watching this closely because I believe we are the only brand right now in the luxury space that has their own resale platform. And what we're seeing is it gives consumers an opportunity that they can come in, they can get basically a really, really nice, pretty much new parka that's been refurbished, rebuilt and repackaged at a price point that's more in line with what they can afford. And so it's introducing new consumers that have been curious about the brand or that have aspired to be part of the brand, it gives them that entry point as well.

Simon:

So re-commerce is a powerful concept, especially when you're looking at through the generational lens that you mentioned. How does it work? Someone's got a jacket, they kind of want to pass it on, someone else wants to get one. I have never done that. How does it work?

Gavin:

Absolutely. Well yeah, it's a great question. The way the Generations platform works, we launched it in the US market and basically consumers can go into the site, they take their gently used or previously owned Canada Goose, doesn't need be gently used, but their previously owned Canada Goose parka or any gear and they send it in. All that information is shared, the packaging is sent over, it's assessed, I believe it's assessed within a week. And then they are given a, this is what we believe the value of your current jacket is, and then they will receive a credit to be used within our e-comm site to go and grab another one. And what that does is then that parka will be refurbished and put on the website for resale and that's where those new consumers can come in or existing consumers and acquire a gently used Canada Goose parka.

Simon:

And so the prioritization, the elevation of sustainability on behalf of the company and through the product lens is just gaining momentum every day. But I want to kind of go back upstream for a second and go, so what does it look like for anyone listening here, there you happen to be in this sort of outdoor apparel category, but when you put sustainability as the starting point for the design process, the innovation process, how does that change what you've done in the past? How does that change the design process if that's your point of departure?

Gavin:

Yeah, I would say that it's not the only point of departure or it's not the only consideration. When we design a product, it's simply now part of that front line, I'll call it, as we start to build a product, but it's not the only. So it's, we'll look at functionality, we'll look at design and we will look at sustainability and with sustainability comes the materials that you build into it. What we do now, too, is we will challenge the suppliers and we'll say, "We love this material you're making for us, but we need to elevate this to be more of a sustainable material. How can we build this together?" I think the organic architect is a great way of doing that and also, too, our chief design officer is just an incredible mind on these kind of things, as well as our innovation team. Where they are looking at, like I said before, every piece of material that goes into our garments, it's part of a few streams that go into our design. So sustainability is, I would say, in the top three things that we look at as we're building a product now.

Simon:

And just to kind of drill into an example, like you mentioned Artic-Tech. So how is that different? I know it's polyester and organic cotton, how is that different to a material that you might have been using before from a sustainability point of view and also a performance point of view?

Gavin:

It's a recycled polyester and organic cotton are now being introduced into it. I think it's just looking at those components, like this is something, the performance material. And we're trying to move away from things like plastics and new polyesters and new materials and looking more to things like organics and recycled. And this was a great way of doing that, looking at not only the holistic material but looking at the components that build the material. And I think that's what Artic-Tech has done really well with the new Artic-Tech is it's looked at a few components within there that can start to build it towards sustainability but still keep that functional side of Artic-Tech, that we've known for the past decades, intact.

Simon:

And so when you think about those materials, those building blocks as you say, what sort of criteria or lens do you look at them through or how do you judge them? I know there's PMF materials, is that what you use across the board?

Gavin:

Yes.

Simon:

Yeah. Can you explain what they are?

Gavin:

For sure. PF at a Textile Exchange, which is a global organization in our industry, they have all the standards. So they're the ones that have Responsible Down Standard. They have the Leather Working Group. They have all of these material groups underneath them and claims and certification systems and a more preferred fiber material is one of them. And what you do, literally you have a laundry list of materials that you're currently using and then you have another laundry list of materials over here that you want to evolve those towards. And within that you will literally take a cutthroat approach and there's some that you will phase out entirely, where you'll say this no longer, like PFAS is a great example. PFAS are a thing of the past. So we've removed all of those. We're also looking at things like C6 and how do we get that out of play.

So treatments on materials as well as the material itself, polyesters, plastics, things like that. We're looking to really phase those out and then go towards that end of the spectrum or the end of the matrix that has these more sustainable solutions, ultimately. I would say based on the work that our materials team are doing and our design teams are doing, you're going to see a flow of materials that within the next two to three years, I think all of our product offerings are going to have sustainable components within them. I think right now we currently have within our roster of products I believe 60 to 70 products are currently sustainable or have sustainable materials within them.

Simon:

And it's one thing to make a decision at an executive team level to do this and incorporate into the design process. It's another to kind of bring it to life inside the company, especially with all the different global offices and so on. So how do you keep your sustainability premium alive? I think I read that you've got sustainability councils in different markets or how do you make sure everyone feels a part of it inside your company?

Gavin:

Yeah, that's a great question. The sustainability councils, we have three of them around the world and they're incredible. So these are part of our governance structure. Starting at the board level, we have an ENS board, we have an executive steer co on sustainability, then we have a sustainability worker group, and then we have these amazing groups in our APAC region, AMEA and North America that are, I would say all of our employees are incredibly passionate and driven when it comes to sustainability and giving back to communities. But we found these key groups around the world that are really, they're the ones that are-

Simon:

Did they self-select? Did they say, hey, we want to be a part of this?

Gavin:

We put the offer out there, we said, would you like to join these councils? And they're going to play such an important role because, I hadn't mentioned this earlier, we are currently base lining our Scope three. So we're going into the world at Scope three, which is, as you can understand, massive, this is where you look at your-

Simon:

Your entire sort of value chain and the indirect emissions of the partners that you work with.

Gavin:

Exactly. So you asked the question about how do we get the entire organization as we build these things or as we do these initiatives and this is the way. We're going to be, once we tip into Scope three, we're all in this together. So we're going to be really looking at our advisory groups and our entire governance structure to really help us make that. I think the challenge, to be honest with you, during the pandemic, the challenge was you had these great groups of employees, but they were like we are right now, they were home bound. And so it was hard for them to get that hands on feel of I want to get in there and I want to play. And now that we're hopefully coming out of this is we're going to, once we have Scope three, we're actually in the process right now, we're going to be drafting what we're calling currently the Human Nature Manifesto, which will be literally a very prescriptive document across the entire organization and enterprise that will say, here's what all of you have to do to make sure we reach these goals.

Simon:

Right. No, I mean those articulations show the power of story. It's a rallying cry. It's a unifying force for everyone inside the company. And the other thing that comes to mind is really packaging when it goes to any industry, but you set some pretty ambitious goals for 2025, how are you going about achieving them? Because there's certain cost efficiency with what you've always done. A lot of the recycling programs at state and government level don't support alternative, more responsible packaging. So how are you solving for that?

Gavin:

Yeah, no, the packaging goal in particular, so I think we're in 100% sustainable packaging by 2025. We've taken a very holistic approach. So we're kind of dividing into two houses, I call it the back of the house and the front of the house. A lot of organizations focus on the front of the house because that's what the end consumer sees. So we have sort of two streams that are working on this. We have the one that's the front of the house where we're looking at our e-comm and retail packaging solutions, but we're also looking at the packaging within our retail stores. We're looking at could we have optionality for our consumers? Could you opt in to say send mine in just a single box or a bag or something like that.

And then we're also, the bigger picture is what our consumers don't see, is we're going into that back end of the house into our warehouse manufacturing and everything like that. And we've had some great success. I think we've now got, I believe it's over, I think we're up to 50 to 70% of our packaging right now has been moved to sustainable solutions. But Simon, you nailed it. It's that once you start getting really granular and you start sweeping the corners, that's when you start to go, oh my God, this is so much bigger than we thought it was going to be.

Simon:

Yeah.

Gavin:

We're currently looking at what are some really creative things we can do for shipping? Could we use reusable packaging? Could we use things that we can send overseas and then they keep over there and then that kind of thing, like this migratory packaging concept. I think things you would probably take for granted, but things like poly bags are something that is a tough one to solve for because you nailed it and your comment is not every jurisdiction around the world has the capacity to recycle. So as much as

things can say they're recyclable, they might end up unfortunately in landfill at the end of the day. So you have to look at, you have to take a regional approach.

You also have to go literally package by package. But one of the things on poly bags that I just recently uncovered, because we were looking at all kinds of options, is when you see the term compostable, you start reading the fine print on that and it's like you literally need to have a residential composting unit or an industrial composting unit to break these things down. So it's one of these where it's the old onion as you start to peel the skin away, you're just like going, wow, wow, wow. Every time you start to look into these. But I think we have, we've got an incredible cross-functional team working on this, and they're up for the task. We know we've got 2025 looming and we've made some good headway. Like I said, I think we're in the 70% zone right now. So it's that final push, I think that's always the hardest, where that's when you start to get into the nitty gritty stuff.

Simon:

Yeah, no, the game is on, and like I said, we have to do it for the obvious reasons, our future climate and future generations and so on. It's also a competitive landscape out there now. And all of these commitments from Scope three to moving away from fur to down to commerce packaging, are you seeing them, does it represent a leadership opportunity for you? Is the experience of it an obligation industry-wide or is it like, no, this is a chance for us to carve out better reputation, attract the talent we need, inspire new consumers to buy our stuff? Is it delivering value to the business?

Gavin:

Yeah, it's absolutely the latter. It's never been an obligation, I don't think. This is something that we've made very intentional decisions on. That we want, this is a place that we want to be in and we want to be in a leadership position when it comes to this. I think being a leader is a much better place to be in than trying to catch up, especially in this space, because you're already starting to see someone who hasn't taken, for example, someone who hasn't done a Scope one and Scope two, that's going to set you back a year to two in your plans. This is not something you can jump to light speed in, you need to be down a path already.

And I think with the positive pressure that our leadership as well as our employees have put on us to say, let's get moving on this, I think it's putting us in a really good position. And I think we do view ourselves as a leader in this space. And I think it's something that's interesting over the past couple of years. The first, when you take that first step, people are like, oh, that's nice, good for you. And then the next year when you show results, then it's like, oh wait, these guys are taking it seriously. And then now what's happening is now, to your point, now it's like these guys are leading this. They've really put, we've put the capital, we put actions where our words were, and we've just gone after this.

Simon:

So you've got a unique vantage point on the industry. What do you think in five, 10 years time, specific to your category, what do you think outdoor apparel will look like? What will the future of footwear and apparel look like?

Gavin:

I think, well, if I put on my sustainability hat with climate change, I think, we're going into extremes. You're seeing two feet of snow in California right now. You're seeing, I'm here in Toronto and it could be warm as a spring day in the middle of winter. And so I think there has to be that flexibility within

outerwear, is we've gone beyond four seasons now and now we're into this extreme, unpredictable weather cycles. And it's an unfortunate place to be in. I mean, you said it as well, as a species this is sort of like we teed this up ourselves, but I think that could be where outerwear and footwear is going, is how do you not only lead in sustainability by watching the talk on all this and being a good company, but also how do you create products that can live in those reactive seasons that we're now facing that are highly unpredictable?

Simon:

Yeah. I do think the future will be more reactive because it is so unpredictable and there's so many variables that are connected in ways that we don't yet appreciate. And I just want to say, Gavin, thank you for sharing insights into how Canada Goose is elevating its own sustainability commitments, because it's not only is that important in its own right, it's the knock on effect to the rest of the industry so that everyone levels up their game for all of our futures. So thanks so much for the insights today.

Gavin:

Thanks Simon, I've really enjoyed this.

Simon:

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