

Sustainable Aspirations

Inspiring high-value audiences
through experience

A report from



BY QUINTESSENTIALLY

Before We Start

It is inarguable that the global rich have an imbalanced impact on the world's carbon pollution. As a global business, Quintessentially is almost exclusively focussed on meeting the needs of the top 1%. It would be disingenuous to pretend otherwise.

More importantly, it would be a mistake to exclude this group of individuals from the urgent actions that are required now. Indeed, a recent UN report attributed 15% of annual emissions to the top 1% of income earners - just 70 million people. This is double the amount from the bottom 50% of the world's lowest income earners.

To paraphrase Her Majesty The Queen, the time to talk has passed. Now we must do.

*“BLAH
BLAH
BLAH”*

“Blah Blah Blah” Greta Thunberg, September 2021

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Sustainable Aspirations

As COVID is becoming a way of life and the new normal is, dare we say it, normal, we are looking ahead. The environment needs our attention. So as **COP26** fills our news and social channels, we are seeking answers to old questions: what is our role as a business, and our responsibility to our planet?

As a service business, we pride ourselves on putting the needs of our members and clients above all else. They ask, we deliver. We don't question, and we never judge. In 2021, this approach can be revisited. Kering has banned fur. Apple will be carbon neutral by 2030. And Six Senses will be plastic free by 2022 - water bottles included.

As a luxury brand, our first task is to unlearn. To unlearn the way we define luxury. To unlearn our approach to service. To unlearn the way we have done things for 20 years. Instead, we will find new, better ways to serve our members. To engage, excite and inspire them. To imbue in them a new aspiration as they continue to live well for generations to come.

The following report is the result of request analysis and expert interviews across our international network and with our members. It details the established and emerging attitudes to sustainability amongst a high-value global customer. It is a starting point for us. As we develop our offer we have one commitment: to lead boldly with a view of sustainable life that is positive, gainful and luxurious. After all, as the learnings in this report show, perhaps all that is needed is to make the path to this goal just a little easier.

Darren Ellis,
Group Chief Executive Officer, Quintessentially



Overview

The goal for this research was to understand the current level of interest in sustainability from U/HNWIs and use this to inform a sustainable experience design model. By implementing this model against different customer profiles we hope to encourage a shift in sustainable aspiration. One action that we, as QX, are able to implement easily. The customer profiles are on page twenty and our experience design model is on page twenty-one.

Through the course of our research we identified seven key areas where sustainable action is taking place at varying degrees of intensity. These themes are by no means exhaustive. For instance, we did not delve into attitudes towards family or consumer purchasing. Changes in attitudes towards luxury goods is well documented, and a different research approach would be required to unearth more sensitive insights.

We hope you are encouraged by the emerging themes, and join us as we endeavour to inspire more 'Climate Crusaders' through experience design.



The Research

Behavioural Trends identified through observation and insight from Quintessentially Members and Network

Methodology:

- Global request data analysis
- Expert interviews
- Member interviews

Key areas of insight:

- Philanthropy
- Investments
- Diet
- Travel
- Generational attitudes



“Money is power. And power can change the world faster than anything else.”¹

– *Jeremy Coller*

Founder, FAIRR Initiative & Chief Investment Officer, Coller Capital

Committed Collectives

For those HNW individuals who are awake to the climate crisis, there is a growing movement towards 'taking matters into our own hands'. This manifests most effectively where like-minded individuals and organisations become collaborators, tackling a specific problem.

Across our global network we see connectivity like never before. At local levels, we see cooperation amongst neighbouring landowners to conserve natural resources or to increase species diversity. At a global level, there is enthusiasm to network, finding ideologically aligned contacts. Leadership movements like The B Team and more organised 'big money' commitments are working together to create demonstrable change. Launched in 2021, *Protecting our Planet Challenge* is an unprecedented movement of private funds. Just nine organisations have joined together to pledge \$5 billion over the next 10 years to support the creation, expansion, management and monitoring of protected and conserved areas of land, inland water and sea, working with Indigenous Peoples, local communities, civil society and governments.

The shift in philanthropic attitudes from leaving a legacy to creating a living legacy, is burgeoning a movement in the approach of many charitable endowments. Trustees and stewards are increasingly looking upstream; taking action against cause not just donations to ease symptoms.

Quintessentially Member Requests:

- Organise donation and personal involvement in Oceanic Global
- Carbon offset travel arrangements to COP 26
- Arrange meeting with neighbours to discuss re-introduction of beavers to estate





Analysis of UK trends in fundraising from 2015-2019 saw 115% growth for clean technology businesses, 520% growth for urban farming and 205% increase in businesses described as sustainable²

Goldfinger to Greenfinger

For the entrepreneurial individual who is both wealthy and environmentally focussed there is opportunity to be had.

Carbon capture technologies, agri-tech, sustainable energy and materials innovation are all popular among members looking for excitement and green credentials in their business ventures.

There is a noticeable difference in the attitudes of Millennial and Gen Z entrepreneurs, particularly from those with tech backgrounds. Perhaps inspired by Elon Musk, a 'green only' approach amongst angel investors and entrepreneurs has humble-brag status.

Quintessentially Member Green Start-Up Examples:

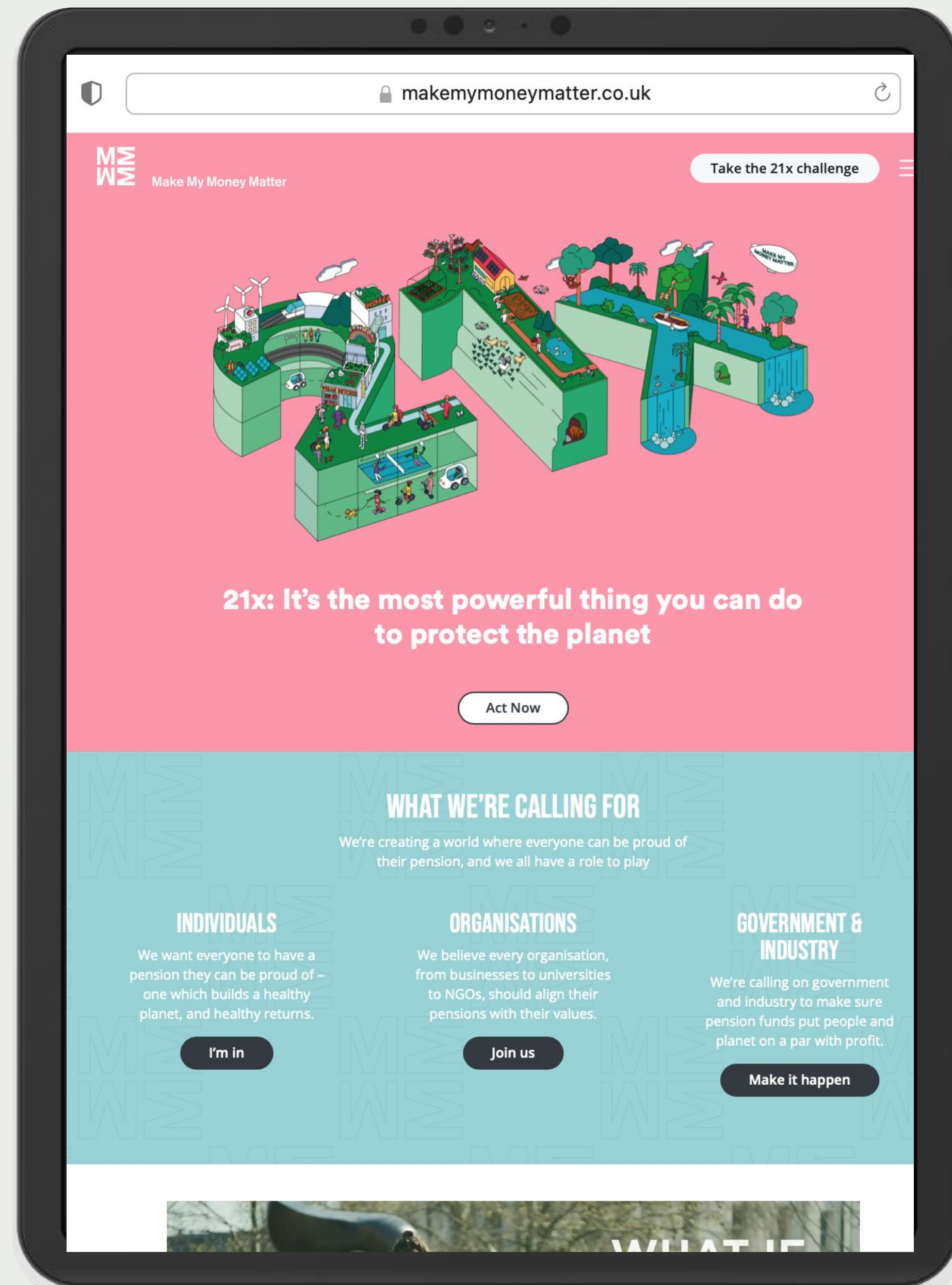
- Renewable Energy Development
- Sustainable Ecommerce Platform
- Lab-grown diamonds
- Sustainable Growth Consultant



“Impact investing is a reframing of how our money can be utilized to express our desires and intentions for a better society”

– Eva Yazhari

Author, The Good Your Money Can Do, Co-Founder and CEO, Beyond Capital



Invested Interests

HNW individuals are becoming more invested in their investment portfolios and see they have a voice through ESG* investments. A voice that is not just grounded in morality, but increases the impact they can have and strengthens their investment portfolio.

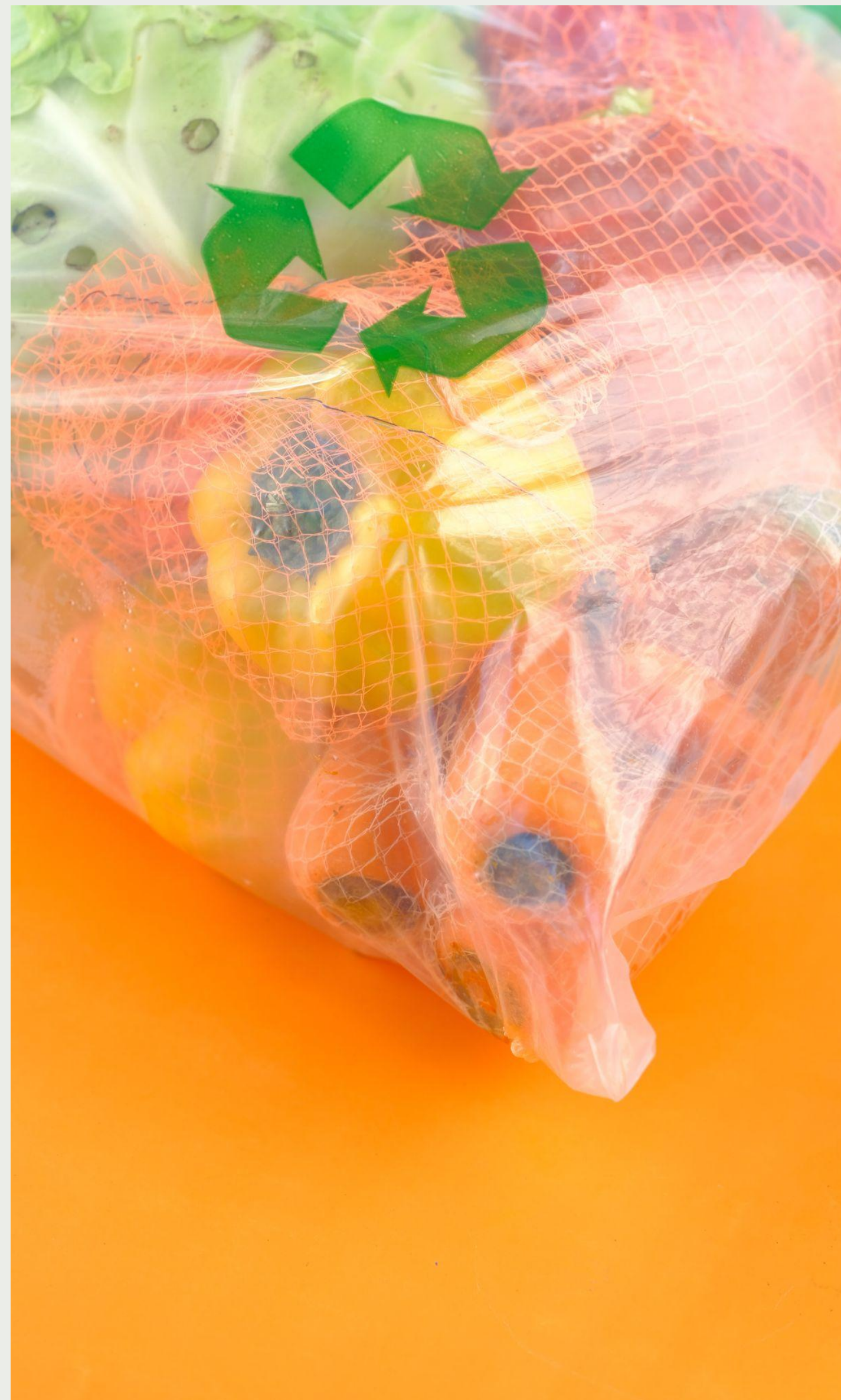
Inspired by high-profile campaigns from organisations like ShareAction and Make My Money Matter, this demand from individuals and pensions has led to a shift in the attitudes of fund managers. Allocating resources to green funds not only protects future earnings from risk, but delivers sustainable profits in a material way.

As fund managers increase their expertise in ESG and ‘green funds’ alongside increased consumer knowledge, unprecedented conversation is inspiring a higher aspiration: investing in ESG is becoming a status symbol with big impact. For example, it is no longer unthinkable that factory farming will become a stranded asset like fossil fuel. In the words of Jeremy Collier, founder of FAIRR which currently has \$40 Trillion AUM**, “ESG can change the world”.

*Environmental, Social and Governance
**Assets Under Management

Quintessentially Member Requests:

- Explore options for pension and savings that are environmentally friendly
- Research financial education courses for personal investing
- Arrange meeting with wealth advisor to discuss portfolio alignment



Food for Thought

It is widely publicised that roughly a quarter of greenhouse gas emissions are from food production. It is also the most significant area where sustainable aspirations among HNW individuals are evident.

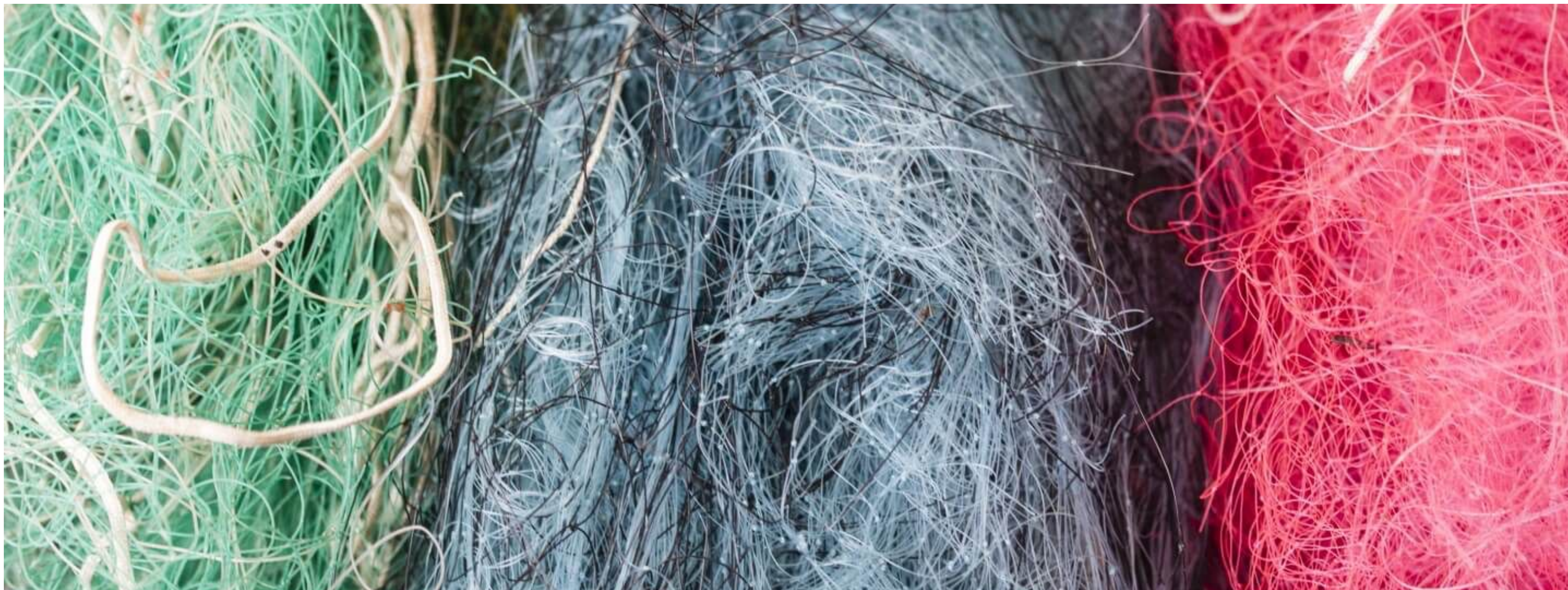
With the privilege of wealth, it is straightforward and easy to take personal action to:

1. Reduce or remove meat and dairy consumption
2. Eat local and seasonal produce

There is increasing eagerness to shift towards plant-based and locally sourced diets with a 30% increase in veganism among respondents since 2018. This signals that where action is presented as easy and aspirational, behaviour change will follow.

Quintessentially Member Requests:

- Restaurant research for menus with locally-sourced food
- Nutritionist for guidance on journey to Veganism
- Move to 'refillable' pantry solution and plastic-free home



“Sustainability is not a goal to be reached but a way of thinking, a way of being, a principle we must be guided by.”³

—*Giulio Bonazzi*

Chairman, Aquafil Group



The Home Front

The 'covid effect' has accelerated interest in eco homes, especially those in rural environments which marry architectural design with emission-cutting specifications. Whilst practical features like triple glazing, heat recovery units, air-tight insulation, solar panels and air source heat pumps are core to upgrades, it is often the innovations in materials and design that cause the most excitement.

Beyond the home, outdoor spaces are being rethought to create connection to the natural world and encourage wildlife. From city garden design to woodland management, rewilding projects to cultivating vines.

Quintessentially Member Requests:

- *Tree Planting on Estate as part of The Queen's Green Canopy celebrations*
- *Solar Panels for renewable energy on property*
- *Introduction to Isabella Tree to discuss Rewilding project*



Generation Gap

There are many HNW individuals who are committed to supporting climate change initiatives, but it is undeniable that more interest comes from the younger demographic of members and clients, particularly from those under 30 and/or with young children.

At a personal level, these individuals are increasingly switching to plastic-free households and plant-based diets, as well as increased philanthropy and changing their investment portfolios. According to HBR, 77% of millennial investors have already made an impact investment. With the Great Wealth Transfer approximately \$68 trillion will be transferred to the Millennial generation which is good news for an acceleration in ESG investing - and our planet.

Across all age groups, one area we are yet to see influenced by increased climate conscience is personal travel.

Quintessentially Member Requests (Under 30):

- Brands and products; plastic-free beauty and hair products, circular and sustainable clothing brands, rental clothing platforms
- Explore philanthropic options with a climate focus
- Attendance at sustainability focussed events
- Plastic-free children's party

The Trouble with Travel

When it comes to sustainable aspirations, travel remains a double edged sword for both our members and our brand (Quintessentially Travel is an integral part of our business). It is clear from our research that carbon emissions in this area will not be fixed by habit, and must be addressed by industry. A commitment by global airlines to move to net zero by 2050 is not fast enough.

There are some long lasting eco-positive effects from COVID; a move towards more local travel and a significant reduction of corporate travel. However, the overall appetite for personal travel and holidays is far from dampened. Carbon offsetting, eco-resorts, towel wash policies and hotels that 'tread lightly' are easily branded as greenwashing by the cynics amongst us; a way of justifying an industry that is fundamentally unsustainable.

And yet... we see first-hand that an awakening in aspiration, behaviour and philanthropy is often prompted by connection to environment, forged through travel.

Quintessentially Member Requests:

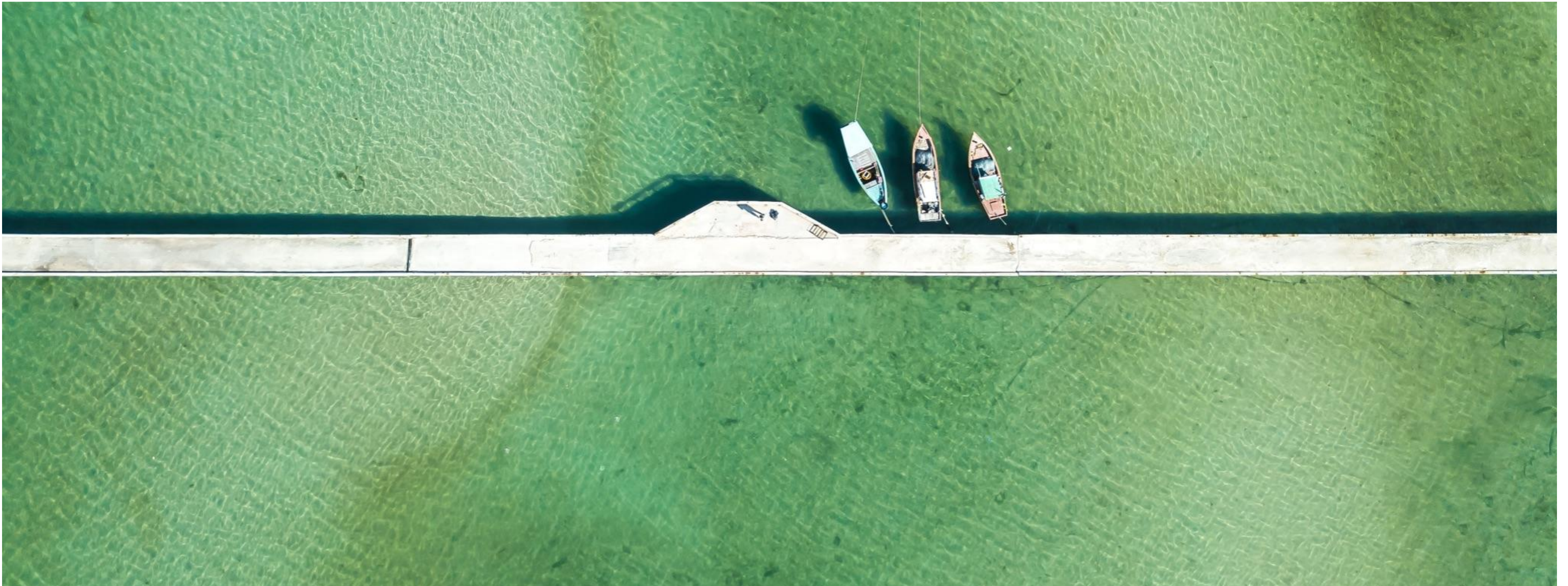
The good:

- Travel to continent via Eurostar and Train
- Eco-resorts with proven credentials

And the not-so-good:

- Private Jet to Seychelles
- Purchase Jet Card





“22% of boomers express an interest in impact investing. For Generation X it is 31%. For Millennials it leaps to a 71% interest in investing in impact minded corporations”⁴

— *Richard Steele*
CEO, Parsec Ventures

Conclusions

Through our research it became clear to us that a huge contradiction is at play. When it comes to understanding the level of sustainable aspirations amongst a high-value customer most are keen to do something, yet they are not ready to know how carbon intensive their lifestyles are. This is a chasm that must be crossed if we are to take the action required of us all.

There are two things we take encouragement from:

1. It is the low hanging fruit - things that are easy to do - that promises to have a disproportionate impact. The shift to ESG and impact investing is something we must create momentum around.
2. There is a new narrative emerging around what it means to be a high performance individual. Today, this involves being sustainable.

We have developed three 'broad brush' customer profiles (page twenty) and created an experience design model (page 21) which encourages sustainable aspirations through suppliers and storytelling.



Sustainable Experience Design

A QX model for creating sustainable aspirations through luxury experience

High-Value Customer Profiles

From our research we have identified three customer profiles, reflecting their attitudes to sustainability and the current level of their aspirations. As we look ahead we hope to encourage more individuals to 'level up' through our sustainable experience design model.

CLIMATE CRUSADERS

Actively seeking sustainable enhancements. Looking for how they can make a difference through investment, innovation, leadership and lifestyle choice

15%

UNCONSCIOUS CONSUMERS

Passive participants in climate conversations. Take small, easy actions where aspirational but expect brands and governments to find solutions, whilst their lifestyle is maintained

65%

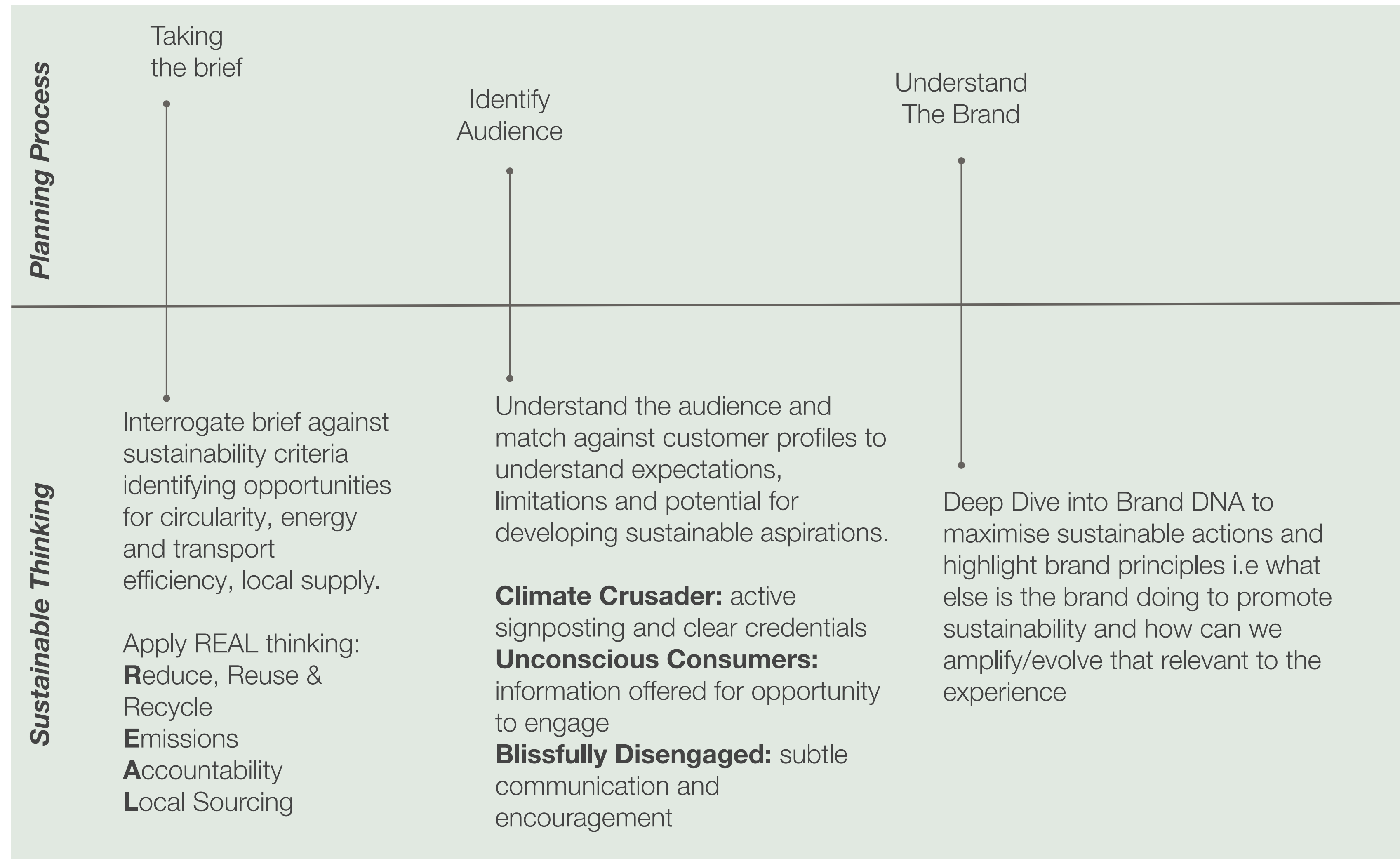
BLISSFULLY DISENGAGED

An 'exception to the rule' mindset sets this group apart as actively disengaged from environmental concerns

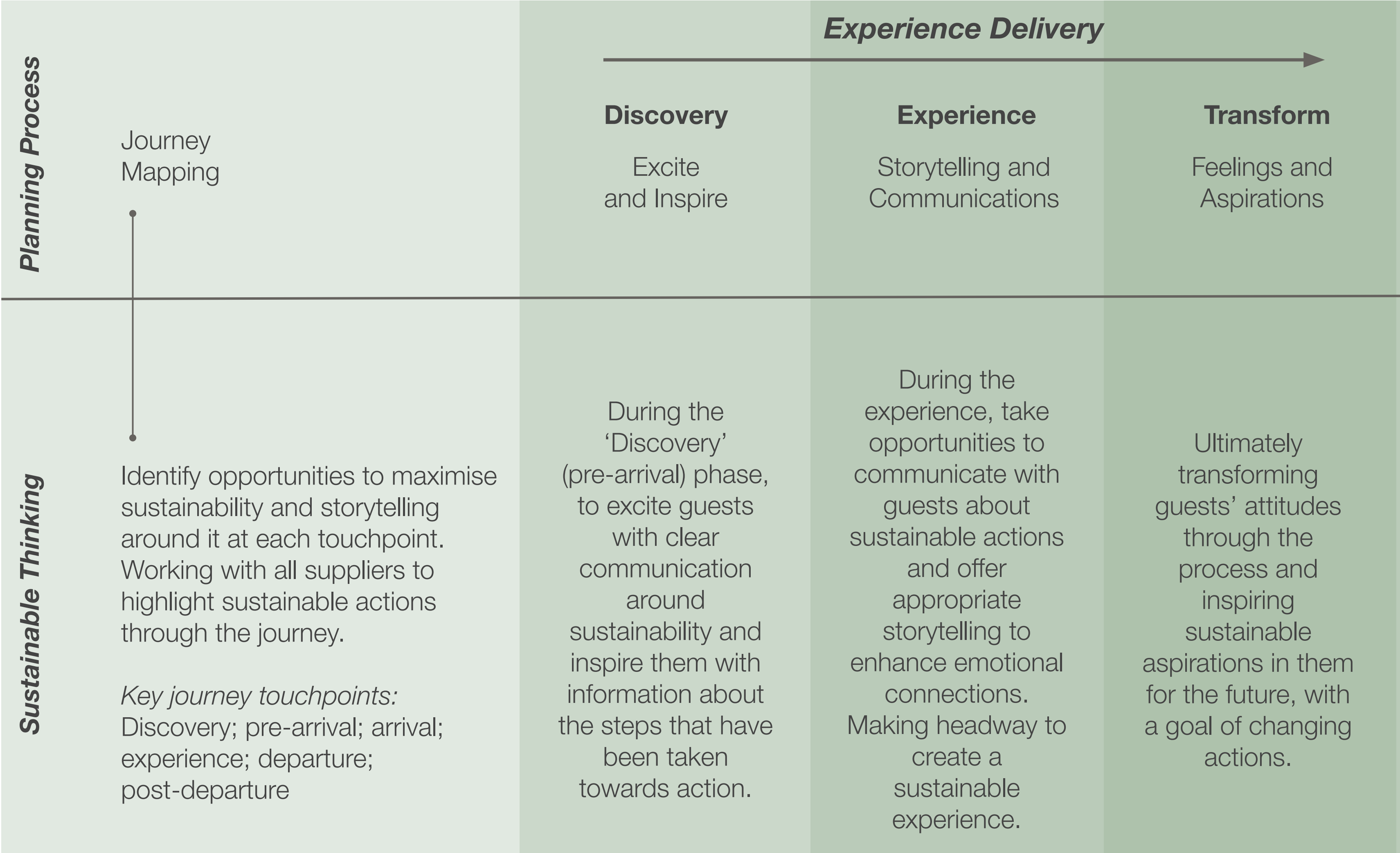
20%

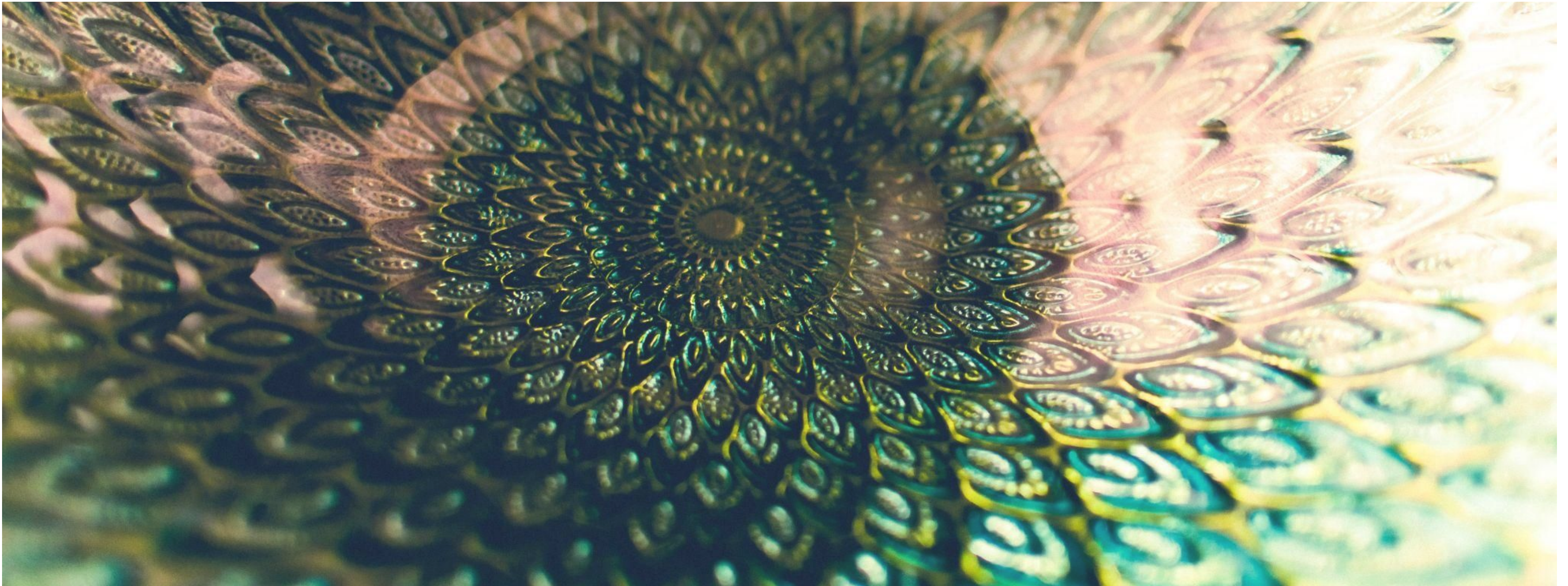


Experience Design Model



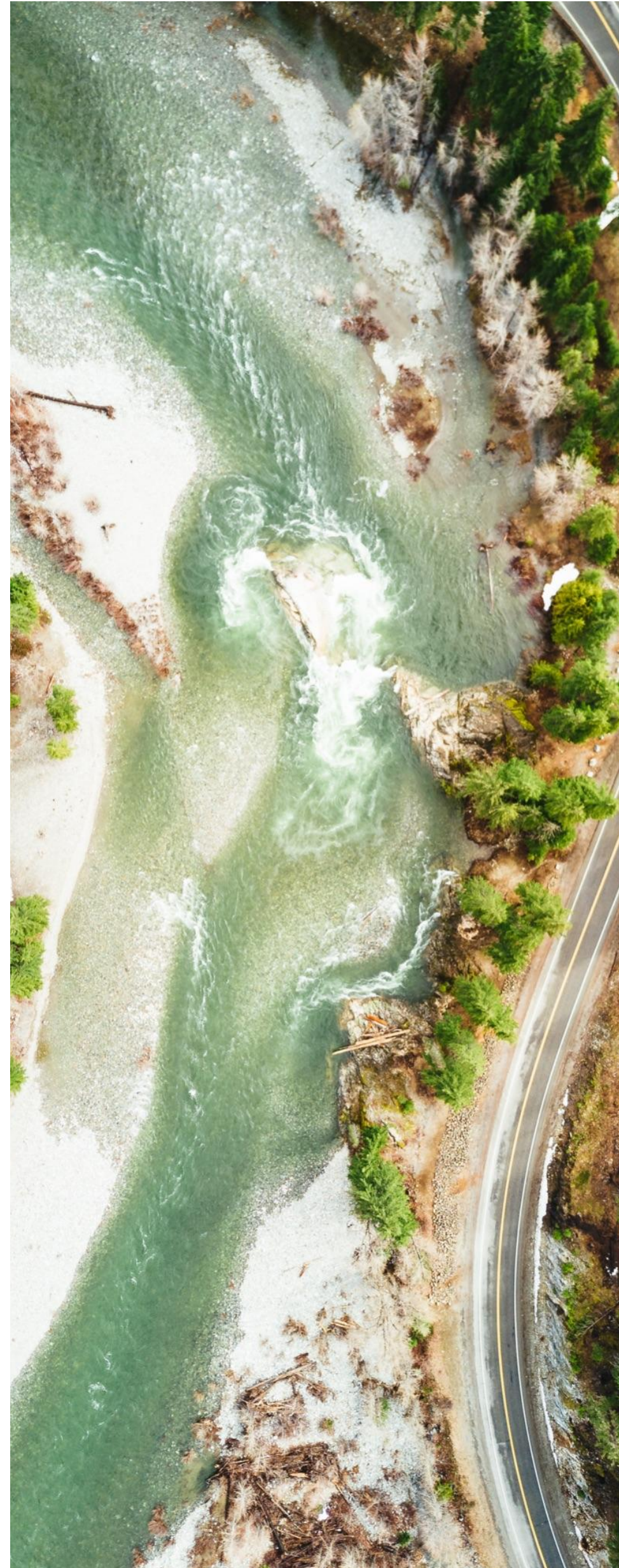
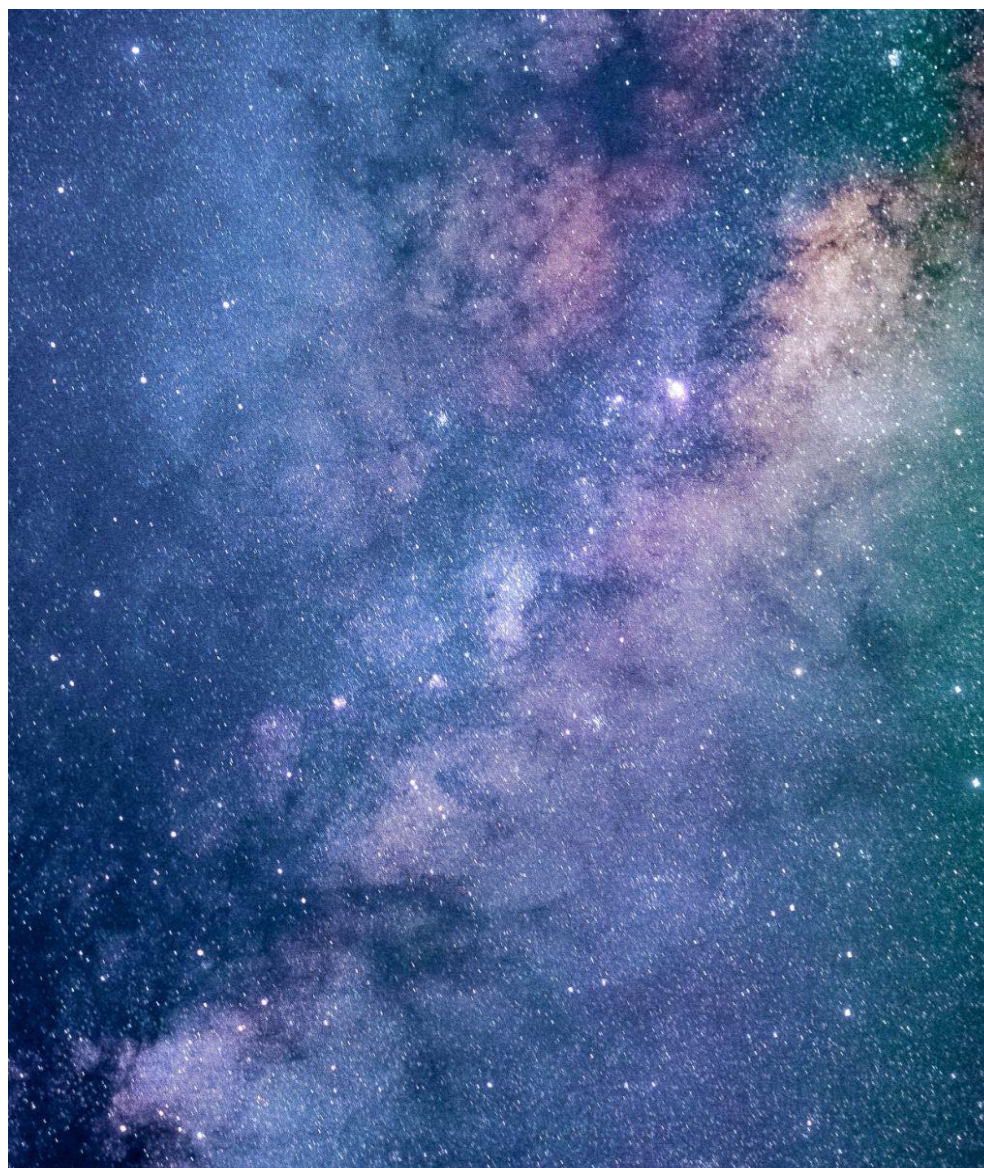
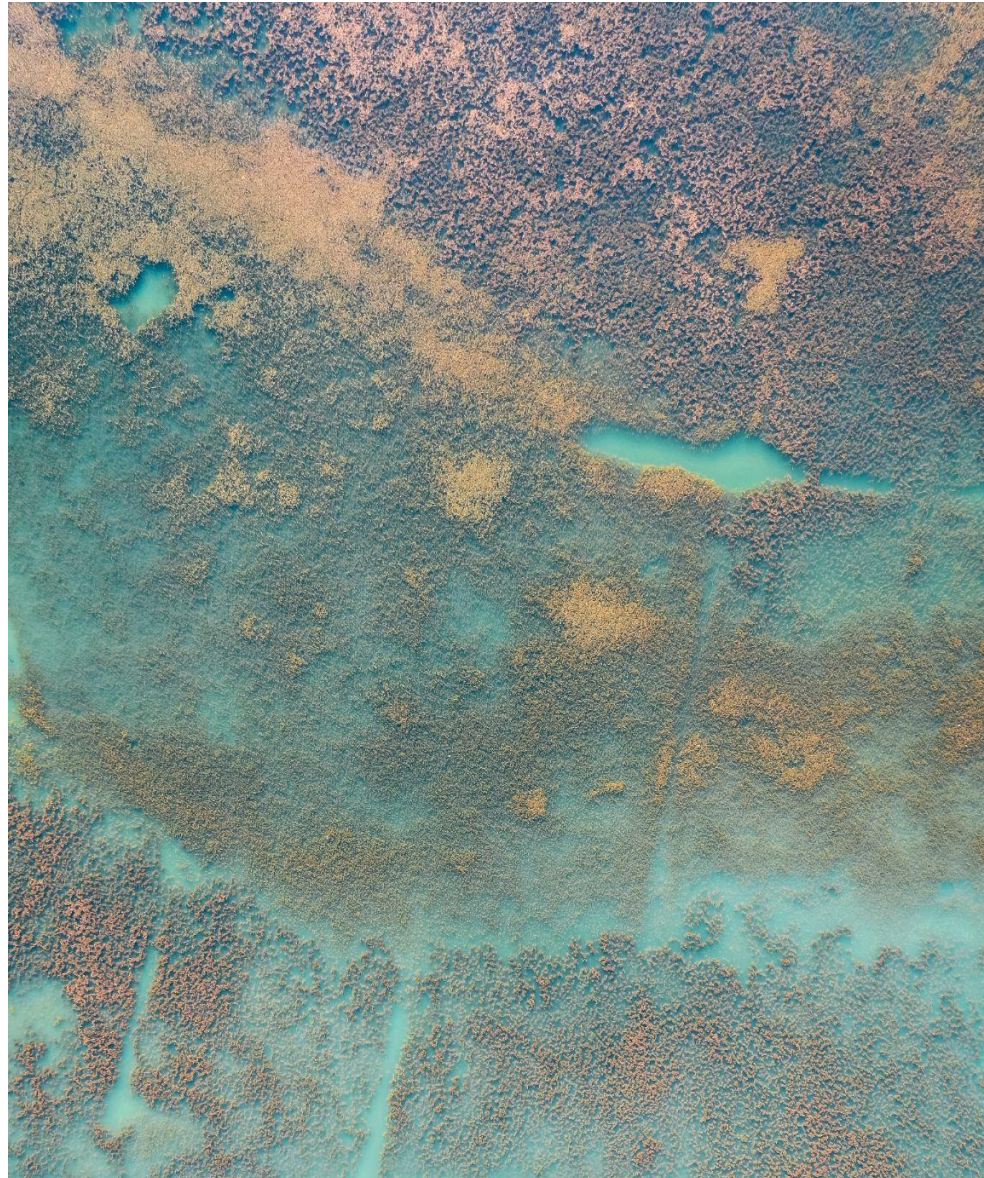
Experience Design Model (cont.)





“Sustainability is no longer about doing less harm.
It’s about doing more good.”⁵

–Jochen Zeitz
CEO, Harley-Davidson
Co-Founder, The B Team



Our Sustainable Aspirations

When we started this project we were looking for sustainability trends among the high-value customer and where we could use these to evolve our offer. It became increasingly obvious to us that while the HNW audience might be keen to make changes, they don't know where to start. It is down to those they trust most, the businesses and brands that they regularly engage with, to help them make the right decisions.

We need to do more to sustainably evolve our business for the future, but there are things we can *do* today:

- ❖ We can interrogate our suppliers and supply chains
- ❖ We can have a conversation with every client to find out how we can help them create sustainable experiences
- ❖ We can influence our network to redirect their spend towards lower impact services. After all, every pound spent on self-improvement, music lessons, exercise classes and massages cannot be spent on environmentally impactful 'stuff' and contributes to building a net green economy ⁶
- ❖ We can use our influence to guide, advise and inspire our members, networks and contacts towards sustainable aspirations
- ❖ We can do more

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Please don't print this...

If you would like to work with us as we build on our sustainable aspirations, or learn more about how Quintessentially can support your business, please do not hesitate to get in touch.



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