SEASALT
CORNWALL

THE SUSTAINABILITY REPORT

2024

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ABOUT SEASALT

Seasalt's purpose is to inspire people of all ages to dress with creativity and confidence.

We design beautiful clothing infused with love for the land, sea and sky of Cornwall, where we began more than 40 years ago.

Like Cornwall's wild landscape and maritime heritage, we want our clothes to endure, so we use high-quality fabrics to create timeless pieces. And we offer these in a choice of shapes, fits and lengths to reflect the diversity of our customers.

From a small shop selling workwear to fishermen, farmers and artists, Seasalt has grown into a global brand with over 70 stores, 1,300 employees, 400 wholesale partners and online sales in 156 countries.

But we have never forgotten what matters. Whether it's pioneering the use of organic cotton in fashion, protecting workers' rights in our supply chains or setting ambitious climate targets, Seasalt has been pushing the sustainability agenda from day one.

The beautiful Cornish landscape, surrounded by more than 400 miles of coastline, serves as a constant reminder of the need to sustain this blue planet and the life that depends on it.

A MESSAGE FROM PAUL HAYES, OUR CEO

A warm welcome to our latest sustainability report for 2022/23. This report provides the opportunity to update you on our progress and the commitments we made with our 2030 Sustainability Strategy, which we launched last year.

The 2030 Sustainability Strategy is how we are embedding sustainability in the heart of our business operations and decisions at every level, in every team. We build this around four pillars: Product, Environment, Partners and Community.

Overall, I'm pleased to report that over the past 12 months we have gained real momentum and have seen great progress in many areas. This year, our focus has been on striving to achieve the ambitious goals we set last year – including creating products that are less impactful, increasing our use of responsible materials and working ever closer with our supply chain – ultimately aiming to make it easier for customers to join us in our sustainability journey.

We're proud of all we've accomplished including:

Product

- Exceeded our cotton, leather and viscose targets for FY2022.
- Made progress to improve our product circularity. With the success of Seasalt's garment return program ReLoved, we are excited to have expanded our take-back program by launching a partnership with Reskinned to offer customers an easier way to give unwanted clothes a new lease of life.

Enviroment

- Achieved validation of our near-term emissions reduction targets by the Science Based Targets Initiative (SBTi).
- Switching to paperless dispatch. We eliminated the need for 1.2 million A4 paper dispatch notes in 2022/23.

Partners

- Completed our first year as full members of Ethical Trading Initiative (ETI) – which requires every supplier we work with to adhere, like us, to an internationally recognised labour code.

Community

- Invested significantly in our community programmes including our 'Doing Good Things' initiative that gives all employees an additional day of leave to volunteer for a charity of their choice. This achieved over 2,000 volunteering hours on one weekend alone. Seasalt has donated almost £200,000k to charities and community projects in FY2022.
- Launching a 3-year partnership project with Cornwall Wildlife Trust 'Seeding Change Together' that aims to restore carbon capturing Seagrass in the Fal Estuary in Cornwall.

A MESSAGE FROM PAUL HAYES, OUR CEO

There are many other achievements that we discuss in detail throughout the report. As always, there are areas where we need to do better and whilst it's fantastic to see some successes, we know a lot of hard work still lies ahead in our sustainability journey. This year, we supported our knitwear suppliers in achieving full RWS accreditation but it meant we fell short of reaching our 2022 target. However, laying this groundwork means we have confidence in exceeding our 2023 target. Additionally, we are adopting a new methodology to track our Scope 3 emissions which will be more accurate and transparent in the long run but has led to discrepancies and delays. Navigating these tricky challenges is inevitable and there are complex issues still to solve but we will continue to challenge ourselves to deliver better solutions for our customers.

As we look ahead, we intend to keep pushing for greater transparency in our supply chain, improve our circularity as well as communicate our sustainability credentials more fully to allow customers to feel engaged in our sustainability journey. I'd like to thank the teams for their continued dedication and hard work in achieving our sustainable ambitions.

Thank you for taking the time to read this report and taking an interest in our sustainability plans here at Seasalt. As Chair of our Sustainability Steering Committee, I am always keen to hear what you think of our efforts to be a more sustainable business. If you would like to get in touch, you can reach us at sustainability@seasaltcornwall.co.uk

Thank you for your support and ongoing interest in Seasalt.

Paul Hayes

OUR 2030 SUSTAINABILITY STRATEGY

Seasalt's sustainability ambition...	The purpose of sustainability at Seasalt is to guide and support Seasalt's employees, partners and customers in making considered, confident and innovative choices for people and the environment.			
...which means...	Embedding sustainability in the heart of our business operations and decisions at every level, in every team.			
...delivered across four areas...	PRODUCT We will increase the use of certified, sustainable materials in our products year on year.	ENVIRONMENT We will focus on transitioning to become a Carbon Net Zero business by 2040.	PARTNERS We will partner with businesses who can support our social standards and environmental ambitions.	COMMUNITY We will make meaningful contributions to charities and communities close to us.
...through measured projects...	Material targets Circularity	Science based targets Brand relevant neutralisation	Transparent supply chain Like-minded partners	Volunteering Charity partnerships & donations Community outreach
...underpinned by...	Innovative solutions Transparent, authentic communications Fit for purpose data and timely reporting Targeted training and development delivered by experts			

OUR 2030 SUSTAINABILITY STRATEGY

Seasalt has always put people and the environment at the forefront of its business decisions.

In 2005, we became the first fashion company to gain Soil Association certification to the Global organic textile standard (GOTS) for it's organic products, having helped develop this global industry-leading standard for the organic cotton industry.

We won the Queen's Award for Sustainable Development in 2013, recognising our work to create products that benefit the environment, society and the economy.

And since launching our dedicated Sustainability department in 2018, we have reinforced efforts to cut carbon emissions, reduce waste and protect workers in our supply chains.

2005
- **First Fashion company to be certified by the Soil Association**

2013
- Won the **Queen's Award for Sustainable Development**

2018
- New **Sustainability department** established

2019
- **Began engaging our Tier 1 suppliers**
- **Mapped our carbon footprint**
- **Reduced plastic** in our packaging

2020
- **Seasalt Lite** store design
- Established **sustainability commitments**
- **4 sustainability pillars**

2021
- Launched our clothing takeback pilot, **ReLoved**

2022
- Set **science-based** targets
- Started **'Seeding Change Together'** partnership

2023
- Partnered with **Reskinned** for clothing takeback and recycling

2025
- Achieve our current **product** targets
- Achieve our **charity** targets
- Achieve our **volunteering** targets

2030
- Achieve our **science-based** targets
- Achieve **net-zero** in our scope 2 emissions

2035
- Achieve **net-zero** in our scope 1 emissions

2040
- Achieve **net-zero** in our scope 3 emissions

OUR 2030 SUSTAINABILITY STRATEGY

But this is a critical decade for the climate. We need to push harder and faster if we are to leave a liveable world to the next generations.

In last year's report, we introduced our 2030 Sustainability Strategy to drive us forward in this endeavour. Embedding sustainability into every aspect of our operations and decision-making processes, it unites us in a single purpose:

To guide and support our employees, partners and customers in making considered, confident and innovative choices for people and the environment.

Our strategy is built on four pillars that address the areas where we have the biggest impact as a business:

Product

Enviroment

Partners

Community

For each of these pillars, we have set targets to focus our efforts.

MAINTAINING TRUST AND CREDIBILITY

Seasalt's sustainability strategy is grounded in globally recognised standards and certifications and underpinned by a solid governance structure.

We are a signatory of the BRC Climate Action Roadmap, which commits the business to reaching net zero emissions by 2040 and to supporting the retail industry in doing the same.

In 2022, the Science Based Targets Initiative (SBTi) validated our 2030 targets to reduce our greenhouse gas emissions and source 100% renewable electricity. We completed our first whole year as full members of the Ethical Trading Initiative (ETI), which commits us to improving the transparency and ethical performance of our supply chain year on year. And we continued to use third-party bodies to certify the sustainable cotton, leather and wool in our products. Meanwhile, we bought viscose only from suppliers audited and rated 'low risk' by our partner Canopy, a non-profit that works to protect the world's ancient and endangered forests.

Our Sustainability team, managed by the Head of Sustainability, is responsible for implementing and reporting on our 2030 Sustainability Strategy, supported by our Product Compliance and Ethics team. These teams report to our Sustainability Steering Committee, which meets quarterly to track our progress and hold us accountable. Reflecting its importance, the committee is chaired by the CEO and includes all the members of the executive team.

OUR TARGETS

Momentum is crucial, so we have set ourselves ambitious targets to achieve within short time frames, alongside our longer-term target to be a carbon net zero business by 2040. As we hit our short-term targets, we will set new ones tied to our four pillars to keep us advancing in the right direction.

Some of our projects on these fronts have been underway for several years, such as increasing our use of sustainable materials and supporting workers' rights. Others, such as increasing transparency in our supply chains and eliminating waste, now have renewed focus.

PRODUCT

WE ARE INCREASING THE USE OF CERTIFIED MATERIALS IN OUR PRODUCTS YEAR ON YEAR.

We have a proven track record of innovation in sustainable product design, but we recognise that the bulk of our environmental and social impact occurs during the manufacturing process.

It means we must be ever more proactive and discerning, increasing our use of sustainable materials with every season and ensuring they meet industry leading standards as verified by independent third-party bodies.

Our current efforts centre on four targets to meet stringent sustainability standards for 100% of our cotton, leather, wool, viscose and – new in 2022/23 – mohair and alpaca fibres.

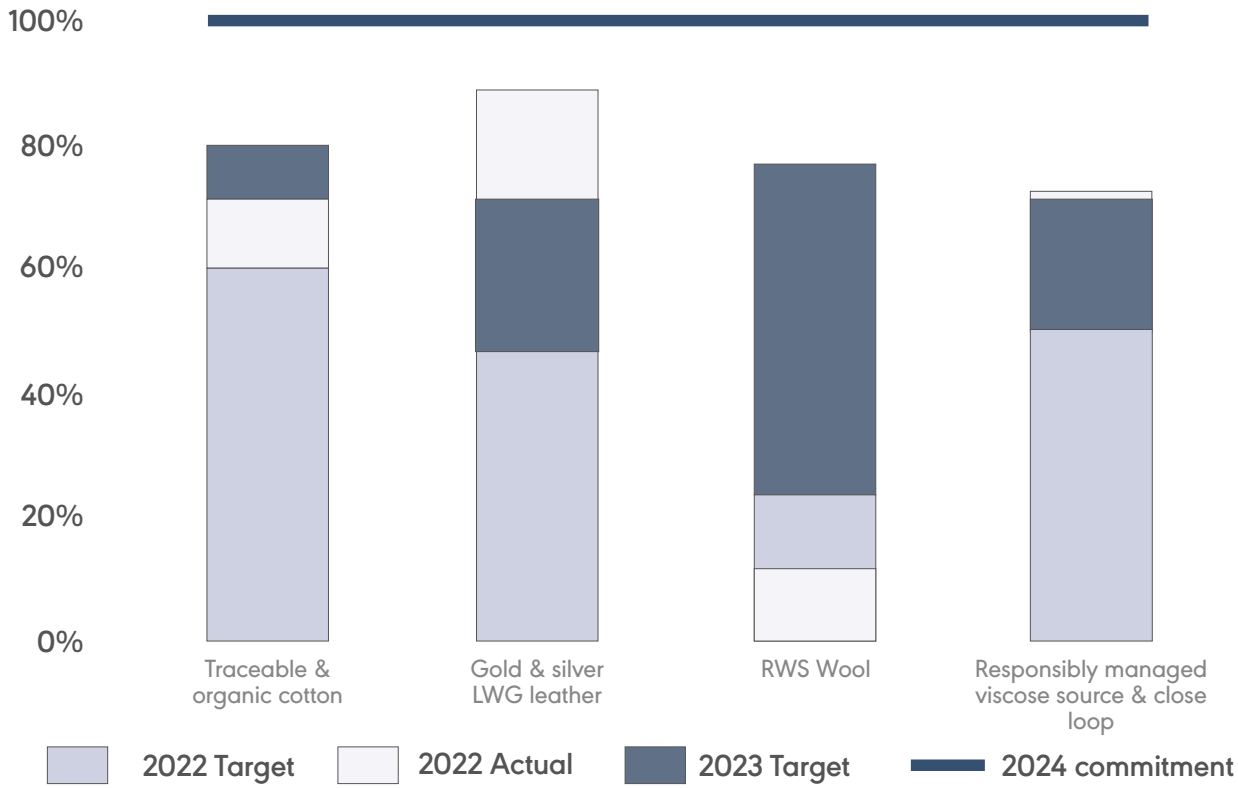
The certification bodies we use have exacting requirements on animal welfare, human rights and environmental protection, which they track through our supply chain.

OUR PRODUCT TARGETS

- 100% of the cotton used in our collections to be fully traceable and certified as organic by the end of 2024.
- 100% of our leather to be sourced from gold- and silver-rated Leather Working Group tanneries by the end of 2024.
- 100% of the wool used in our collections to be certified by the Responsible Wool Standard by the end of 2024.
- 100% of the viscose used in our collections to be from responsibly managed plant sources and made using closed loop systems by the end of 2024.

PROGRESS ON OUR MATERIAL TARGETS

Thanks to a phenomenal effort by our product teams, we have made substantial progress in our work to source materials that meet the highest possible sustainability standards.



OUR PRODUCT TARGETS

COTTON

WHY WE SET THIS TARGET: We are committed to all our cotton being certified as organic at either fibre or fabric level. This assures us that the cotton we use has been grown and processed in a way that promotes workers' rights, soil fertility, crop rotation, animal welfare and responsible pest control. Where requirements allow, we fully certify our products to the Global Organic Textile Standard (GOTS). This means it has been independently audited through its entire supply chain to ensure it meets strict environmental and social criteria, including International Labour Organization conventions on fair pay, safe working conditions and the right to freedom of association.

OUR PROGRESS IN FY2022: We were delighted to exceed our target this year and have already made significant progress towards our 2023 target.

LEATHER

WHY WE SET THIS TARGET: The Leather Working Group is a not-for-profit membership organisation working to create meaningful change across the global leather supply chain. Its manufacturer audit protocol assesses tanneries against 17 metrics covering environmental management, traceability, chemical management, social responsibility and governance.

OUR PROGRESS IN FY2022: We are proud to report that we not only met our FY2022 target but exceeded our FY2023 target.

WOOL

WHY WE SET THIS TARGET: The Responsible Wool Standard is an international, voluntary standard that certifies sheep farmers who respect the Five Freedoms of animal welfare, protect human rights and have a progressive approach to managing their land. For example, 100% of the lambswool and merino we use is certified 'non-mulesed', meaning wool-bearing skin has not been removed from around the breech of sheep to prevent flystrike. Every stage of the supply chain is audited annually to create a strong chain of custody from certified farms to certified suppliers and retailers.

OUR PROGRESS IN FY2022: We missed our target in 2022 as we spent time supporting all our knitwear suppliers to achieve full RWS accreditation. Laying this important groundwork will reap rewards as we can now grow our fully certified wool products. This means we are confident of exceeding our 2023 target. In 2022, we achieved independent verification that 100% of our wool is non-mulesed (see above).

VISCOSE

WHY WE SET THIS TARGET: Of the 6.5 million tonnes of viscose fabric produced globally every year, about half is sourced from ancient and endangered forests. By sourcing our viscose exclusively from responsibly managed plant sources, we can protect these climate-critical trees. In closed loop manufacturing, almost all the chemicals used to make viscose are continually recovered and reused. Our target is 95% – virtually eliminating harmful waste.

OUR PROGRESS IN FY2022: We are thrilled to have exceeded not only our FY2022 but FY2023 target as well. In 2022, we continued to carry out in-depth investigations into the production practices of our viscose suppliers and increased our use of fibres from sustainable manufacturer Lenzing™. We are also proud to be partnering with visionary non-profit Canopy on responsible sourcing and next-gen solutions that protect forests.

MOHAIR AND ALPACA FIBRE STANDARDS

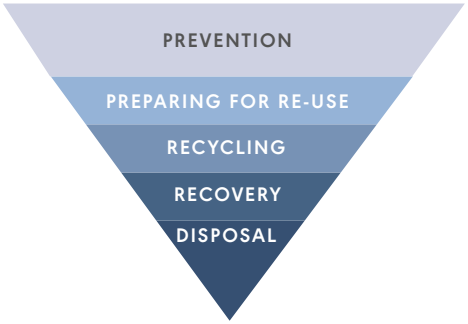
In 2022, we decided to improve on our Responsible Wool Standard target by seeking the same level of assurance for the goat hair and alpaca fibres used in our clothes.

We will work with our knitwear suppliers to achieve accreditation to the Responsible Mohair Standard and Responsible Alpaca Standard, so that by 2024 we can independently verify that 100% of the animal fibres in our clothes come from farms where animals, workers and land have been treated well.

CIRCULAR THINKING

Designing for longevity is at the core of the Seasalt philosophy. Seasalt's approach to product circularity is based on our Waste Hierarchy, which outlines how we will focus on designing goods with longevity, recovery and recycling in mind. We will also work on providing enhanced care and repair information and opportunities for our customers to prolong the life of their Seasalt items.

WASTE HIERARCHY



PREVENTION - CIRCULAR DESIGN PRINCIPLES

Seasalt uses fabric blends in some clothes to improve their quality and resilience. However, to truly make our fashion circular we need to make it easier for fibres to be recovered and recycled at the end of each garment's useful life.

In 2022, our product design teams completed in-depth training with circular design experts, the Renewal Workshop. We have now begun to develop circular design guidelines and explore new partnerships that will help us make more conscious choices in terms of materials and techniques so that we preserve scarce resources and potentially reduce our environmental impact over the full lifecycle of our products.

We recognise that we also need to support our customers in extending the life of their Seasalt garments. Through blogposts and social media, we share tips on repairing and repurposing clothes as well as encouraging customers to return pre-loved clothes to us via our takeback scheme.

PREPARING FOR RE-USE: RELOVED TO RESKINNED

In 2022, we asked pre-loved clothing repair and resale specialists Reskinned to help us launch a service rewarding customers who trade in Seasalt clothes they no longer need.

Garments will be professionally cleaned and refreshed or repaired in the UK before being sold to consumers at discounted prices. Those beyond repair will be responsibly recycled, diverting waste from landfill and overseas textile waste mountains. We established the partnership with Reskinned after our own pilot takeback scheme, ReLoved, confirmed to us that our customers supported a circular approach. The service allowed customers to drop Seasalt clothes back into one of our stores to be recycled by our partners. When we trialled ReLoved in 10 stores across the UK between May 2021 and January 2023, customers returned more than 1,360 items of clothing to us. Our confidence was further buoyed by feedback surveys, in which 93% of our customers said they would recommend ReLoved and 82% said they would use the service again.

REWARDING CUSTOMERS FOR RETURNS

At half the pilot stores, we gave customers a £2 Seasalt voucher for every returned garment, up to a maximum of £10. This resulted in more than twice as many returns, so we have decided to continue customer incentives in our new partnership with Reskinned.

Teaming up with this third-party specialist will allow us to build on ReLoved to offer a truly circular solution. Rather than simply recycling clothes, the aim will be to keep each garment – and the value of the material – in use for as long as possible through:

- RESELLING: rehoming the refreshed garment with a delighted new customer, who can buy it at a discount
- REPURPOSING: collaborating with emerging designers to transform the pre-loved garment into an exciting new product
- RECYCLING: working with partners to transform the used textiles into new textiles through innovative fibre-to-fibre recycling techniques

Through Reskinned, we can give more customers a takeback option and leverage the latest technologies for renewing pre-loved fashion. The service is a neat fit with Seasalt's principles and ethos, dovetailing with our strong customer proposition of style that endures.

We will report on our first year with Reskinned in our 2023/24 sustainability report.

ENVIRONMENT

WE WILL FOCUS ON TRANSITIONING TO BECOME A CARBON NET ZERO BUSINESS BY 2040.

The global fashion industry is responsible for an estimated 10% of humanity's greenhouse gas emissions.

Urgent, deep emissions cuts are vital in this time of climate emergency, which is why we are determined to become a carbon net zero business by 2040. Achieving this is not something we can do alone, which is why we are enlisting the support of third-party experts and working closely with other fashion brands and retailers.

OUR ENVIRONMENT TARGETS

- Carbon net zero business by 2040 in line with the British Retail Consortium (BRC)'s Climate Roadmap
- Meet our near-term science-based targets (see page 15)
- Zero waste to landfill where Seasalt directly manages waste by end of 2023

PROGRESS ON REDUCING OUR EMISSIONS

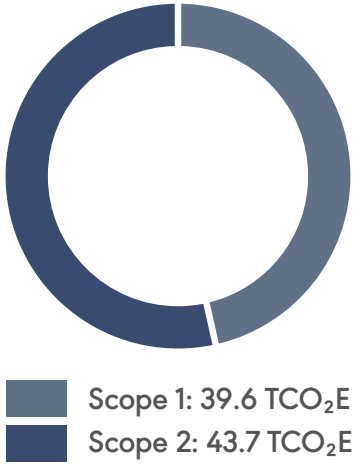
SCOPE 1 + 2 EMISSIONS

	Emissions TCO_2E				Variance			
	2019	2020	2021	2022	% change 2019-20	% change 2020-21	% change 2021-22	% change 2022-23
Scope 1 + 2 (Location based)	729	520	511	517	-29%	-2%	+1%	-29%
Scope 1 + 2 (Market based)	707	125	95	83	-82%	-24%	-13%	-88%

Both a market and location-based approach are illustrated in the table. The market-based approach accounts for the addition of renewables in the grid energy mix that Seasalt purchased during 2022, while the location-based approach represents the general UK grid energy mix.

The scope 1 and 2 market-based emissions have decreased by 88% since our FY19/20 base year due to increased availability of renewable tariff certification. In addition, the location-based approach saw a 29% reduction again compared to FY19/20.

2022 SCOPE 1 + 2 (MARKET-BASED) EMISSIONS



The pie chart shows the distribution of our scope 1 and 2 emissions following the market-based approach. Most of our scope 1 emissions come from using natural gas for heating, with the remainder covering activities like liquified petroleum gas (LPG) for warehouse forklifts or refrigerant loss from air-conditioning units. The emissions from our scope 2 electricity are due to landlord sites where Seasalt does not have control over the power supply.

SCOPE 3 EMISSIONS

During this year, Seasalt has updated its methodology for calculating scope 3 emissions to improve the accuracy of reporting. Our Scope 3 emissions have increased in absolute terms by 21% since our 2019 base year, due mainly to the growth of the business. However, when assessed against our profit during this period, total scope 3 emissions have decreased by 28%. Additionally, our science-based target, which is measured against our product as an intensity of gross profit, has also decreased by 22% since 2019.

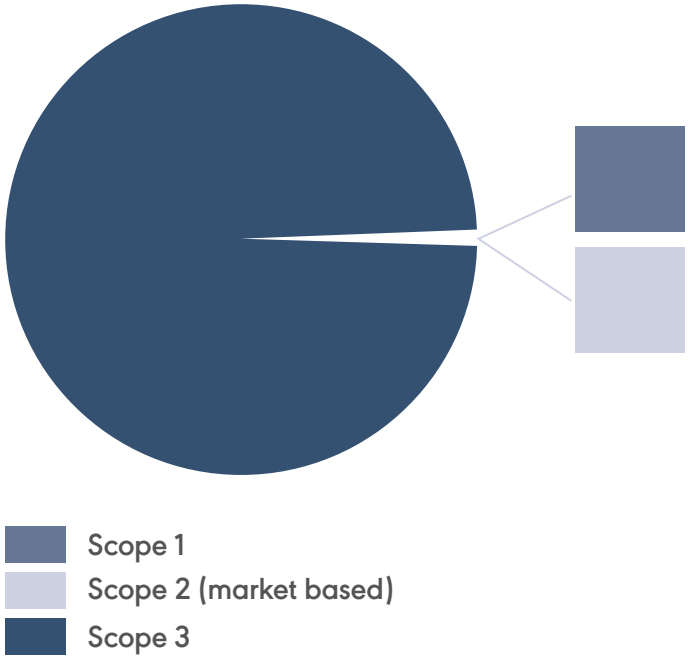
	2019	2022	% Change
Scope 3 emissions (tCO_2e)*	24,701	29,765	21%
Intensity of scope 3 *emissions against gross profit (tCO_2e/£'000)	0.68	0.49	-28%
Intensity of purchased goods and services (product) against gross profit (tCO_2e/£'000)	0.42	0.32	-22%

TOTAL EMISSIONS

	2019	2022	% Change
Total market based emissions (tCO_2e)*	25,425	29,849	17%
Total location based emissions (tCO_2e)*	25,446	30,283	19%

* Does not include category IIb - use of sold products (indirect) to align with SBTi scope

2022 SCOPE 1, 2 & 3 (MARKET-BASED) EMISSIONS



PROGRESS ON REDUCING OUR EMISSIONS

REPORTING METHODOLOGY

The methodology used is the World Business Council for Sustainable Development/World Resource Institute (WBCSD/WRI)
Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines, including Streamlined Energy and Carbon Reporting Regulation (SECR) guidance. An operational control approach has been taken. We have used the UK Government greenhouse gas conversion factors for company reporting 2022. Scope 2 emissions from purchased electricity are reported using a location-based approach, with emissions also calculated using a market-based approach.

SCOPE 3

To calculate indirect scope 3 emissions in our value chain, we have decided to switch to a new methodology, which we believe will give a more accurate and illuminating picture of our carbon footprint over time.

OUR SCIENCE-BASED TARGETS

In 2022, we achieved validation of our near-term emissions reductions targets by the Science Based Targets Initiative (SBTi). Our commitments are:

- Reduce absolute scope 1 GHG emissions by 46% by 2030 from a 2019 base year
- Increase annual sourcing of renewable electricity from 29% in 2019 to 100% by 2030, and
- Reduce scope 3 GHG emissions from purchased goods and services by 55% per unit of value added by 2030 from a 2019 base year.

This means the SBTi verifies that Seasalt is aligned with the aim of the United Nations Paris Agreement: to limit global temperature rise to 1.5°C above pre-industrial levels. This is a crucial first step towards achieving net zero in 2040 or earlier.

DECARBONISING OUR ESTATE

In December 2021, Seasalt prepared a decarbonisation plan that sets out the various options and measures that could be implemented to make our buildings more sustainable by reducing energy and water consumption. The plan will evolve over time and includes measures such as physical and behavioural changes as well as initiatives that require time and investment and the cooperation of our landlords.

As members of the British Retail Consortium (BRC) technical group, in 2022 we were involved in the preparation of a protocol for retailers and landlords to work together on making buildings more energy efficient. The Retailer/Landlord Net Zero Building Protocol is an important step in the retail industry's ambition to reach carbon net zero by 2040.

For most of our estate, we have 100% renewable electricity tariffs where we are responsible for directly sourcing an energy supplier. Where landlords control our energy supply, we are working hard with them to encourage renewable electricity tariffs on their properties in support of our net-zero ambitions.

Other energy efficiency improvements from FY2022 include:

- Continued roll-out of LED lighting across our estate.
- Replacement of gas combi boilers with electric water heaters at Falmouth Business Park.
- Review of electrical appliances in staff areas and removal where appropriate.
- New signage and intranet comms to raise awareness and encourage staff to be more sustainable in the workplace by reducing energy usage.
- The creation of sustainability training for all staff.

WASTE REDUCTION

TARGET: Achieve zero waste to landfill where Seasalt directly manages waste by the end of 2023

PROGRESS IN FY2022: 8.64% sent to landfill (compared with 24% in FY2021)

Seasalt set an ambitious two-year target in 2021 to become a business that aims to achieve zero waste to landfill. This target applies specifically to waste streams where Seasalt directly contracts waste management services. Where we do not directly contract waste management services, we are working tirelessly with our partners and landlords in seeking to achieve zero waste to landfill.

The industry recognises that even with the most robust systems in place, some materials are inevitably sent to landfill – for example asbestos or residues from recycling and energy recovery processes. Therefore, the aim is for 99% of waste to be diverted from landfill.

In 2022/23 we made significant progress by centralising our waste management contract for the UK mainland. Instead of having dozens of contracts covering our estate where we directly manage waste, we now have a single agreement with Suez. Benefits include:

- Management of our waste in accordance with the hierarchy of reduction, reuse, recycling and recovery.
- A commitment to zero waste to landfill.
- Optimal waste management solutions at site.
- Improved data and more accurate reporting to monitor our progress to customers and wider stakeholders whose trust is of vital importance to us.

Other new and updated initiatives in 2022/23 include:

PAPERLESS DISPATCH: We eliminated the need for 1.2 million A4 paper dispatch notes in 2022/23 thanks to our new electronic system for returning orders, introduced in 2021 due to customer demand.

PROTECTING FORESTS: We made a formal commitment to avoid wood pulp waste through responsible paper, packaging and fabric choices by partnering with Canopy, a global non-profit organisation dedicated to preserving the world's ancient and endangered forests.

Our online returns portal

PARTNERS

WE WILL PARTNER WITH NEW BUSINESSES THAT CAN SUPPORT OUR SOCIAL STANDARDS AND ENVIRONMENTAL AMBITIONS

Human rights abuses are an ever present risk in global fashion supply chains.

Ensuring everyone involved in making Seasalt products feels safe, free and respected is an ongoing responsibility we take extremely seriously.

As full members of the Ethical Trading Initiative (ETI), we require every supplier we work with to adhere, like us, to an internationally recognised labour code. It means fair and safe working practices, reasonable working hours and living wages.

We carefully choose partners that align with our sustainability ambitions, then mature long-term, transparent relationships. These are proving invaluable, as our Tier 1 suppliers help us dive deeper into our supply chain and partner with us to reduce their environmental impact.

OUR PARTNERS TARGETS

- **All Tier 2 suppliers to be identified and mapped by end of 2023**
- **100% of Tier 1 significant suppliers to have developed energy and waste reduction targets by end 2023**

POLICIES AND STANDARDS

Seasalt's ethical standards policies clearly state that forced labour and lack of freedom of association are unacceptable.

COMPLIANCE AND ETHICS TEAM

Our in-house Compliance and Ethics team works closely with our supply chain partners and ensures they comply with our high ethical standards. The team vets new suppliers and carries out ongoing due diligence and auditing, reporting quarterly to our board of directors on supply chain risks, including on forced labour and human trafficking. Risks are assessed and supportive resolution plans put in place if needed.

ETHICAL TRADING INITIATIVE (ETI)

Since 2018, Seasalt has been a member of the Ethical Trading Initiative (ETI), a UK-based independent body driving best practice in ethical supply chain management.

In 2021, we graduated from foundational to full membership, which means the ETI recognises that Seasalt has a credible programme in place that respects workers' rights throughout our supply chain. Full membership also increases our visibility and involvement in the ETI.

Every new approved supplier is required to sign our Ethical Standards Commitment Statement. This is based on the ETI Base Code, an internationally recognised code of good labour practice founded on the conventions of the International Labour Organization (ILO).

SEDEX

All our Tier 1 suppliers are required to join the Supplier Ethical Data Exchange (SEDEX). This requires the completion of independent social and environmental audit reports that have been carried out by approved audit bodies. Tier 1 suppliers must then complete an audit every two years.

94% of Tier 1 sites are registered with SEDEX. The remaining 6% are in the process of joining or are being exited.

100% of our Tier 1 suppliers have an independently verified social compliance audit, working either to the Sedex Members Ethical Trade Audit or Business Social Compliance Initiative frameworks, both of which align with the broader ILO framework. Our in-house Compliance and Ethics team reviews and communicates all audit findings.

COTTON ORIGIN AND HUMAN RIGHTS

We prohibit cotton sourced from the following areas connected with human rights abuses in cotton farming:

- Turkmenistan, Uzbekistan, Azerbaijan, Tajikistan
- Xinjiang / Xinjiang Uyghur Autonomous Region in China

All our suppliers are required to sign our Responsible Cotton Sourcing Policy and agree not to source cotton from the above regions. To ensure compliance, we carry out due diligence, using organic cotton certificates to verify cotton provenance by both our internal compliance teams and suppliers.

For more details, see our Modern Slavery Statement.

TRANSPARENT SUPPLY CHAIN

- **All Tier 2 suppliers to be identified and mapped by end of 2023**

The people who make our beautiful clothing, footwear and accessories work for 51 manufacturing suppliers operating from 82 sites in nine countries.

A full list of these Tier 1 suppliers and their addresses is available via the Open Supply Hub, a neutral non-profit supply chain mapping platform. Every year, we update the list. This strengthens our ability to identify any social or environmental risks arising in our supply chain. We are in the process of rebalancing our supply chain to reduce reliance on China and India.

MAPPING TIER 2 SUPPLIERS

Having strong relationships and full visibility of our Tier 1 suppliers we are now working to achieve the same with our Tier 2 suppliers. These include fabric mills, yarn spinners, dye houses, wash houses, printers and leather processers.

As outlined in last year's report, our priority is to map Tier 2 suppliers in China, due to concerning reports of persecution and exploitation of the Uyghur and other ethnic minorities in the Xinjiang region.

From the data provided by our Tier 1 suppliers in China so far, we have been able to conclude that:

- None of our Tier 2 suppliers are in the Xinjiang region.
- No evidence has been found to date of government-provided labour in any of the Tier 2 suppliers, and
- None of the parent companies of our Tier 2 suppliers in China have known links to businesses in the Xinjiang region or migratory forced labour.

In 2022, we continued to collect the balance of outstanding information from China (7% of Tier 1 suppliers).

Our Compliance and Ethics team consolidated the incoming information, using the supplier mapping process. The next step is to roll out mapping requirements to suppliers in the rest of the world and continue to build our view of the Tier 2 supply chain. The project will then be absorbed as 'business as usual' for our Compliance and Ethics team.

SUPPLIER MAPPING PROCESS

1. Obtain Tier 2 company details from Tier 1 suppliers.
2. Survey Tier 2 suppliers to establish working environment, wages, working hours, health & safety practices, access to freedom of association and migrant worker origins, etc.
3. Collate documentation in the Seasalt supplier ethical database.
4. Risk-assess information using SEDEX and ETI tools, and take remediating action if necessary.
5. Obtain evidence of remedy where required.
6. Continue evaluation, including seasonal checks for new Tier 2 suppliers.
7. Provide regular updates to Seasalt CEO and senior management.

LIKE-MINDED PARTNERS

- **100% of Tier 1 significant suppliers to have developed energy and waste reduction targets by end 2023**

Seasalt published a new Procurement Policy in 2022 encouraging teams to consider our sustainability objectives in the evaluation process when purchasing goods and services.

But it's not enough to make decisions from a distance. If we are to become a net zero business by 2040, we must support our suppliers in the transition to a low-carbon economy.

To identify where we should focus our support, we surveyed our significant Tier 1 suppliers in 2022 to find out which had energy and waste reduction targets in place as of the end of FY2021. The results are shown.

ENERGY

50% had an energy reduction target in place.

WASTE

45% had a waste target in place.

Having suspended the survey in 2021 due to a low response rate caused by pressures from the Covid-19 pandemic, we were delighted by the 93% response rate in 2022 and the initiative shown by our suppliers. The survey results will help us channel our efforts to suppliers who need the most support so that by the end of 2023 all Tier 1 significant suppliers will have energy and waste reduction targets in place.

SUPPORTING OUR MANUFACTURERS

Garnering honest feedback is key to the enduring relationships we build with suppliers.

In 2022, we commissioned the Better Buying Institute to conduct a survey of 50 strategic suppliers in nine countries through which they could anonymously rate us on our purchasing practices.

Almost two-thirds responded and our overall ratings score was 66 points, which is in line with the soft goods industry benchmark. We scored positively on payment terms, design & development, management of purchase orders and cost negotiations. Areas highlighted for improvement centred on production planning, forecasting and booking of greige (unprocessed) fabric.

Acting on the feedback, we have implemented a capacity and greige planning tool. We share this with Tier 1 suppliers on a seasonal basis, along with an annual four-year forecast of our business growth. This means they can better plan their product facilities, manage their relationships with suppliers and negotiate the best prices.

COMMUNITY

WE MAKE MEANINGFUL CONTRIBUTIONS TO CHARITIES AND COMMUNITIES CLOSE TO US.

As one of Cornwall's biggest employers, we have the passion and resources to strengthen community resilience both in our beloved Cornwall and further afield.

That's why we have set ourselves the target of donating £1 million to charity and achieving 20,000 hours of volunteering by the end of 2025.

We recognise that it has been a challenging time for many people due to cost-of-living pressures and the aftershocks of the Covid-19 pandemic. Through our three-year partnership with the charity Mind, we aim to raise £300,000 for vital services and communicate to Seasalt employees and customers that no one should have to face a mental health problem alone. On a regional level, our work includes a joint project with Cornwall Wildlife Trust to restore carbon-capturing seagrass meadows.

Meanwhile, our Seasalt Volunteering programme offers everybody across our business the opportunity to take paid time out every year to support good causes they believe in.

OUR COMMUNITY TARGETS

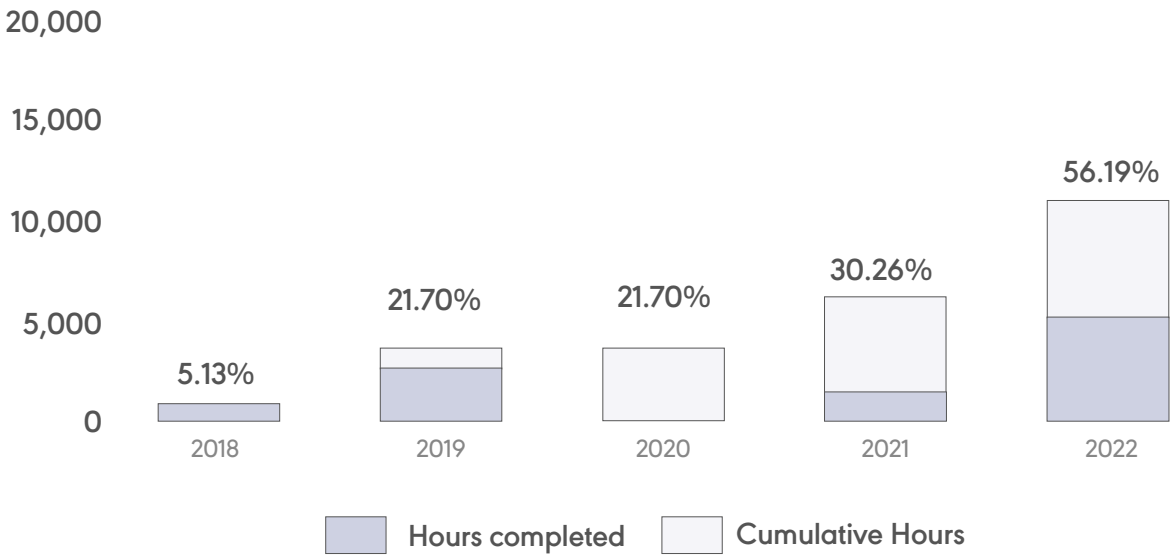
- 20,000 volunteering hours by the end of 2025
- Donate £1 million to charity by the end of 2025

VOLUNTEERING

- TARGET: 20,000 volunteering hours by the end of 2025
- PROGRESS IN FY2022: 5,184

All Seasalt employees can take up to a day's paid leave every year to volunteer for a good cause that is important to them. Since we launched this scheme in 2018, our passionate volunteers have racked up an amazing 11,237.3 hours, putting us on track to achieve 20,000 volunteering hours by the end of 2025.

Volunteering opportunities are posted on our intranet, and we track hours completed through our HR system, holding each department accountable for contributing towards our 2025 target.



VOLUNTEERING

VOLUNTEERING MONTH – 653 HOURS

National Volunteers Week is an annual chance to celebrate the huge role volunteers play in our communities and say thank you. In 2022, we decided to use this as an opportunity to volunteer more time to our communities by extending the week to the whole month of June.

For every full day of volunteering completed, Seasalt donated £100 to charity. This added up to £8,712 after our employees dedicated 653 voluntary hours to local causes over the month. Three Seasalt volunteers were randomly selected to pick three of these charities to receive the funds. They chose:

- Stonepillow – homelessness charity in Chichester
- Mermaid Centre – breast cancer clinic in Truro
- Cornwall Wildlife Trust

DOING GOOD THINGS ON BLACK FRIDAY – 2,161 HOURS

It has never been part of the Seasalt philosophy to spur customers into over-purchasing through heavy sales promotions on one day of the year. We want to give customers time to choose Seasalt products with the same care and consideration that goes into them, especially in these economically challenging times.

So, instead of promoting discounts on Black Friday 2022, Seasalt promoted 'Doing Good Things' for people-focused, environmental and community charities across the UK.

We gave employees an additional day's paid leave to spend on voluntary work before the end of January and were delighted when they clocked up 2,161 hours on a range of fantastic projects:

- Sewing bee – repurposing unsold Seasalt clothing to create mastectomy pillows and mammogram capes for the Mermaid breast cancer centre in Truro
- Beach clean – working with Cornwall Wildlife Trust to clear litter and fishing debris from the sands at Perranporth
- Garden makeovers – Reviving Camborne Care Home's Garden and creating a new mural for Cross Keys Care home in Penryn

DOING GOOD THINGS @SEASALT

CHARITY PARTNERSHIPS AND DONATIONS

- **TARGET: Donate £1 million to charity by the end of 2025**
- **PROGRESS IN FY2022: £197,962**

With the help of our customers and employees, we are making good progress towards our five-year goal of donating £1 million to charity by the end of 2025.

MIND PARTNERSHIP

The cost-of-living crisis and lasting pressures of the pandemic have only strengthened our resolve to support the mental health charity Mind, with whom we have partnered since 2021.

We have pledged to raise £100,000 per year over three years to support the charity's vital work promoting understanding of mental health problems and improving services such as its information line, legal line and online peer support community. In 2022/23, we outperformed our target through:

SOCK SALES

We have a long tradition of donating 20p from the sale of every pair of socks to our charity partners. In 2022/23, this money went to Mind and equated to £140,720.

AT-THE-TILL DONATIONS

Customers are invited to make a £1, £2 or £5 donation to Mind through our card payment platform Adyen when purchasing Seasalt goods. On Black Friday 2022, we matched these donations, raising £1,783.62 on that day alone and £45,000 over the year covered by this report.

BETWEEN THE LINES SAILOR SHIRT

"It's not always obvious when a person is struggling with their mental health. Sometimes, reading between the lines can make all the difference."

On World Mental Health Day in October, we launched our Between the Lines sailor shirt, a limited-edition reworking of our iconic Breton stripey top, using Mind's signature colours of blue against white. All profits from sales of the shirt went to Mind, raising £45,000.

We also supported the following charities in 2022/23 through one-off donations:

- Choose Love – Ukraine crisis fundraiser helping refugees and displaced people with everything from lifesaving search & rescue boats to food and legal advice
- Young & Talented Cornwall – the Lord Lieutenant's Fund providing financial support to help talented young people achieve their potential
- North Cornwall Bookfest – annual event drawing local, national and international writers
- The Roseland Centre – a community-led residential centre enabling outdoor educational and cultural experiences for young people, while promoting wellbeing and sustainability

We receive the funds raised for the charities we work with from multiple sources and pool them before making the donation, always donating the full amount raised.

COMMUNITY OUTREACH

SEEDING CHANGE TOGETHER WITH THE CORNWALL WILDLIFE TRUST

Reviving a carbon-capturing wonder plant in the UK is the latest joint project between Seasalt and our friends at the Cornwall Wildlife Trust (CWT).

We are funding the charity's pioneering attempt to grow and study dwarf seagrass meadows in southern Cornwall as part of its work to combat climate change.

Over the past 100 years, the UK has lost more than 90% of its seagrass – a flowering underwater plant that is vital for the health of our planet. It captures carbon from the environment up to 35 times faster than tropical rainforests and provides a habitat for marine life such as juvenile fish and seahorses as well as food for a wide variety of birds and marine animals, enhancing biodiversity. Seagrass also cleans surrounding seawater and helps to stabilise the seabed to protect the coast from erosion.

One of the few remaining patches in the UK is at CWT's Fal Ruan nature reserve, on the Fal Estuary, near Truro. University of Exeter researchers have discovered that the species growing here – dwarf eelgrass – is twice as good at storing carbon than those found in more exposed coastal locations.

The goal of our Seeding Change Together Project is to expand Fal Ruan's dwarf seagrass bed and study it so that ultimately its restoration can be rolled out across Cornwall.

Seasalt funded the first round of planting trials in July 2022, with our employees among the volunteers who collected and planted 4,000 seeds, using bodyboards on the mudflats to spread their weight and minimise plant disturbance.

Thanks to Seasalt-funded testing equipment, marine biologists are now seeking to understand how water quality is affecting the seagrass on site. They are also testing methods for encouraging growth, from planting seed mixtures in biodegradable hessian pouches to transplanting seagrass cuttings.

Disease, pollution, dredging and development have all but wiped out our seagrass meadows over the past century. Seasalt has pledged £150,000 over three years to nurture one of the last surviving beds and reverse that loss. We are honoured to be part of this ambitious project and will continue to report on progress in next year's report.