

Sustainability Report

Seasalt has always been committed to conducting business honestly and authentically. We recognise that the way we do business has a direct impact on our people, planet and profit. We believe that caring about our people and partners and being mindful of our environmental impact is critical to the success of our brand.

Our directors have recently updated our Articles of Association - a legal document that defines the sort of business we want to be - to reflect our commitment to sustainability.

This year, we have introduced a dedicated Sustainability Department to ensure we stay true to our values throughout our business operations and the team is currently working towards B Corporation Certification for the end of 2019.

Supporting the communities where we live and work is also important to Seasalt and we are excited about our new employee volunteering initiative as well as our new charity partner, Hospital Rooms.

Seasalt's product teams continue to work hard with our suppliers to introduce more eco-friendly materials into our collections each season, while keeping the quality and aesthetic our customers love.

We look forward to sharing our progress with you over the next year and beyond.

Kind regards,

Paul Hayes

Seasalt Giving

We are committed to supporting our local communities through our Seasalt Giving initiatives, which include financial donations and employee volunteering.

Fundraising Through Socks Sales

For every pair of single socks sold, we donate 20p to charity. The money raised goes to a variety of charities throughout the year.

Hospital Rooms is our first charity partner. Hospital Rooms brings extraordinary art to people in locked, mental health units. The charity believes that the arts are among the few tools that have the potential to dignify suffering, inspire hope and alter perceptions. Art encourages conversations, asks questions, instils power, gives voice and offers comfort. It challenges deeply set attitudes and assumptions both in ourselves and in the world. Seasalt will be supporting Hospital Rooms until the end of 2020.

We will announce additional charity partners throughout the year.



Employee Volunteering

In May 2018, we launched the Seasalt Volunteering Initiative, which is being piloted in our head office and warehouse in Cornwall. All employees are entitled take one day of paid leave to volunteer for a local charity of their choice. The initiative will extend to all our store staff in 2019.

Club 100 Member

In 2018, we joined the Cornwall Community Foundation C100 Club, a group of like-minded local businesses who believe in social responsibility at grass roots level. They offer financial support to volunteer-led community groups to help improve the lives of people in Cornwall, especially those who are isolated, disadvantaged or vulnerable.

Each year, every member of the C100 Club donates money into a collective pot of funds. Local groups are invited to make applications for funding, which are reviewed by the C100 grants panel to make sure they satisfy the key criteria:

- Improve community spaces
- Provide a service the whole community can benefit from
- Support/facilitate businesses and communities working together
- A charitable organisation that supports children and young people in Cornwall

The money is then divided and awarded to local projects where the panel believes it will make the most positive impact.

Leach Pottery Bursary

Seasalt continues to support one Leach Pottery apprentice each year by providing them with a bursary to complete the two-year programme.

The Leach Pottery is managed by the Bernard Leach (St Ives) Trust Limited. One of their objectives is to train people in the art, craft and manufacture of pottery and related skills and increase the appreciation for the ceramic arts.

Window Prop Donations

Props to that are no longer needed for our beautiful window displays are donated to local charities, as chosen by our store staff.

We do request that these are not used on other window displays.

Environmental Impact

In 2018, we have committed improve our environmental performance even further, introducing a new Sustainability Department to support our goals by making measurable improvements, decreasing waste, energy use, travel and water accessibility.

1. Waste

Consumable Goods Consortium

In September 2018, we set up a new group, with representatives from many different parts of our business, to focus on reducing our consumable waste.

These are the goals of this group:

- To eliminate the use of unnecessary consumable materials at Seasalt.
- To reduce the use of necessary consumable materials whilst supporting business requirements.
- To come up with waste management and recycling initiatives to reduce our environmental impact.
- To collate data and report on environmental impact.

Their first major project is to minimise single-use plastic at Seasalt and we have already removed approximately 18 tonnes from our business annually by:

- Switching our online delivery bags from plastic to paper.
- Replacing plastic milk bottles delivered to our HQ, studio and warehouse with glass bottles from a local dairy.
- Swapping plastic tape for paper craft tape.
- Banning bubble wrap in favour of a more eco-friendly alternative.

Managing Old Stock

Currently stock that can no longer be sold is divided into:

- Charity Stock
- Recyclable Stock

Seasalt holds an annual charity staff sale, selling old samples and items that are faulty or have been returned. All profits are donated to one of the charities that Seasalt supports.

Stock that cannot be resold in the charity staff sale is donated to Cultivate Cornwall (CIC) to use in their Tex with Benefits initiative. This organisation is a non-profit, community-led organisation that supports the sharing and development of skills across generations.

All products that have been donated are repurposed and sold to raise funds for a variety of community projects in Cornwall or donated for use in sewing skills workshops.

Recycling



All cardboard and plastic bag waste produced in our warehouse is collected and recycled with our recycling partners.

Seasalt employees throughout our business are working together to minimise waste and recycling wherever possible.

2. Energy

Renewable Energy Tariff

All energy for our offices, warehouse and retail stores is provided through our energy provider BIU. In 2018 we switched to a renewable energy tariff.

Carbon Footprint

Seasalt is working with external experts to identify the business' Carbon Footprint, so we can set targets to reduce our environmental impact. We will report on our progress in our 2019 Sustainability Report.

Environmental Compliance

Seasalt commits to ensure they are compliant with all environmental regulations, including UK waste and ESOS.

Energy Efficiency

To minimise energy use, all our stores have been fitted with LED lighting, smart meters and light sensors.

Company Travel

Seasalt encourages all its employees to consider all their options before travelling. The employee travel policy, states that if travel is necessary, employees should use the form of transport that has the least environmental impact.

3. Drinking Water

We provide free drinking water to our customers in stores and have recently installed a water tap into our Cambridge and Lytham store to give customers easier access. Depending on the success of this pilot, we will then consider putting taps in more of our stores over the coming year.

Product Sourcing

Organic Cotton

We love cotton and its qualities; however, we understand the level of environmental impact we are responsible for by using cotton in our collections. Cotton is one of the world's most



resource-heavy commodities and its production often has a detrimental impact on the environment.

To address this, we have long supported the organic fabric movement. As one of the UK's largest retailers of organic cotton, we have committed to increasing the amount of fully certified, organic cotton in our collections every season.

- In SS18 17 % of our womenswear was made with fully GOTS certified organic cotton.
- We plan to increase this to 24% in Spring/Summer 2019.
- We are committed to increasing this percentage every year.
- When we are unable to source fully certified organic supply chains, we will use organic base fabrics wherever possible.
- Organic base fabrics made up 33 % of the womenswear collection in SS18, this will be increased by 16% in Spring/Summer 2019.
- We will share our progress in the 2019 Sustainability Report.

New Fabrics & Product Innovation

Our design teams are working with all our supply partners, mills and factories to look at more sustainable fabrics and innovations for our future collections. We hope to reduce our use of standard cotton, switching to more eco-friendly alternatives. Look out for updates in the 2019 Sustainability Report.

Leather

Currently, the leather used for our shoes is sourced from the same country where the product is manufactured. More details can be found on the product pages of our website and on the composition label inside our shoes.

We insist that all the leather products Seasalt must be a by-product of the food industry and must come from animals that have been slaughtered in a humane way. We are also working with several Leather Working Group accredited tanneries to ensure environmental and sustainable best practice is followed in the tanning process.

The Leather Working Group carefully audit the tanneries to ensure full visibility of the supply chain and adherence to animal welfare standards. We are working to increase the number of accredited tanneries each season.

Yarns

Our 100% lambswool and merino wool is certified "non-mulesed" ("mulesing" is a controversial practice that involves the removal of strips of wool-bearing skin from around the breech of a sheep to prevent flystrike).



Being certified as non-mulesed means that our suppliers can prove that they don't use this practice. For example, our merino wool is currently sourced from South Africa, and as there is no issue with flystrike in South Africa, the wool is all certified non-mulesed.

Visibility In The Supply Chain

Manufacturing products abroad comes with a responsibility to the partners we work with as well as their employees. At Seasalt, we have stringent requirements that our suppliers must meet for us to work together. These cover things like:

- Freedom of association
- Working conditions
- Living wages
- Legal age of working
- Hours worked

Our teams check that our suppliers' facilities and working conditions meet our standards in several ways:

1. Every supplier must sign a Manufacturing Agreement and Seasalt's Ethical Standards Commitment Statement, before we start working with them. This Statement of Commitment is their promise to work to our terms of business and our standards. It is based on the Ethical Trading Initiative (ETI) Base Code, an internationally recognised code of labour practice designed to protect workers' rights. This code covers issues including forced labour, working conditions, living wages, child labour and discrimination.

2. We insist that all our suppliers gain SEDEX (Supplier Ethical Data Exchange) membership. SEDEX requires them to complete a Self-Assessment Questionnaire based on the ETI base code so we're able to properly appraise them. SEDEX is also holds any relevant policies, certificates or audits that our supplier may have. For example, SMETA audits SA8000, WRAP and BSCI certificates. This provides our Compliance & Ethics team with evidence of compliance to our policies and the ETI base code.

3. We visit our suppliers regularly and they also come to visit us in Cornwall. We have great long-term relationships with our suppliers and consider them our business partners. The visits work on several levels, they cement and maintain our relationships, provide us with the opportunity to manage new developments and give us more creative visibility. These visits also enable us to review and inspect the facilities and conditions to ensure they match the information we have received in supplier assessments and audits. In short, we have complete visibility of our suppliers.

5. In addition to our in-house Seasalt teams, we also have Seasalt agents in all of the countries we work in. Our agents are paid by Seasalt, local to our suppliers and act as our eyes and ears on the ground. Our agents visit our suppliers regularly (at least once a week



and more when we have product being made) and provide us with an honest, open view of the situation locally.

6. Unlike many other brands, we believe in working with our supply chain long term, not just changing the supply chain to take advantage of a cheaper deal. This approach secures us the best quality product, an invaluable level of trust, in-depth knowledge of the supplier and the factory environment and a great overall relationship, enabling both us and the supplier to grow our businesses together and develop a mutual respect. Furthermore, if any improvements need to be addressed (either regarding the product or the supplier's style of business) they can be resolved together, with a mutually beneficial outcome. A better, happier way to do business all round.

Our People

We're proud of the fact that we're one of Cornwall's largest employers. In 2019 we will be employing approximately 1000 employees across the UK. We respect the individuality of our people and let their personalities shine through in everything they do. We're open, honest, informal and genuinely care for each other. Our recent engagement survey revealed that 91% of employees are proud to work for Seasalt.

Learning & Development

Investing in the development of our teams and individuals is critical to our success. We take a self-directed approach to learning that provides each Seasalt employee with the opportunity to own their progression within the business. We offer face-to-face workshops as well as extensive digital learning resources that are accessible to all staff.

Our Seasalt Academy supports apprentices and the academic arm of Learning & Development and provides individuals with the opportunity to gain qualifications – a part of our Learning & Development programme that we're keen to grow.

Our managers are offered leadership training, covering both the emotional and operational side of management, so that they can help their team members perform at their best.

Employee Wellbeing

Seasalt supports its staff's mental and physical wellbeing through initiatives such as yoga and meditation at work.

Signed By: *Neil Chadwick*

Position: Company Director

Date: 25th September 2018

Review Date: 25th September 2019