

SEASALT

CORNWALL

REMEDIATION FRAMEWORK: RESPONSIBLE COTTON SOURCING

Seasalt has a zero-tolerance approach to cotton sourced from the below countries:

1. Turkmenistan, Uzbekistan, Azerbaijan and Tajikistan
2. Xinjiang / Xinjiang Uyghur Autonomous Region (XUAR), China

Seasalt expects all Tier 1 suppliers to commit to its Responsible Cotton Sourcing Policy and ensure that its extended suppliers (fabric mills/fabric suppliers, fibre providers cotton gins etc) commit to the same.

This framework outlines for suppliers the steps that Seasalt will take should evidence be found that:

- Cotton has been sourced from prohibited areas.

AND/OR

- A supplier has been found to be working in connection with prohibited government run labour providers involving large numbers of workers identifying as at-risk ethnic minorities as outlined in the Responsible Cotton Sourcing Policy.

It is Seasalt's intention to work in collaboration and partnership with our suppliers to remedy the discovery of prohibited cotton/government run labour providers. Seasalt expects its suppliers to support the remediation process proactively, to ensure that all non-compliances are resolved in the best interests of all involved before fabric or fibre are made into product.

Tier 1, Tier 2 & 3 suppliers (extended fabric/yarn supply chain) should be aware Seasalt has a zero tolerance to cotton from restricted regions and government run labour providers. If no remedy can be established, Seasalt will remove product/fabric from the affected supply chain and source elsewhere. Seasalt Tainted Product Policy outlines our actions should the fabric or fibres have been made into finished products.

Framework for remedy:

<p>1. Identification</p>	<p>Seasalt or the supplier finds evidence of cotton being sourced from a prohibited region.</p>
<p>2. Notification</p>	<p>Seasalt or the supplier collate evidence and notify via email providing evidence. Meeting to be set within 48 hours of notification.</p>
<p>3. Collaboration on remedy. Creating a corrective action plan.</p>	<p>Meeting to discuss possible steps to remedy. Senior management from both parties should be present.</p> <p>This meeting will include:</p> <ul style="list-style-type: none"> • Review of evidence and fabric/fibre/ products affected. • Identification of how the prohibited cotton is present in the supply chain. • Steps to ensure due diligence process within T1 and T2 & 3 suppliers to avoid future incidents. • Potential to divert the cotton origin to an approved region, including any impacts on costs if issue at fabric/fibre level. • Agree a corrective action plan. <p>Meeting notes and corrective action plan will be agreed and drafted. Notes should be taken by both parties and agreement on next meeting date and time confirmed (within 14 days).</p>
<p>4. Business Risk documentation</p>	<p>Seasalt will formally document the discovery, evidence and corrective action plan on its business risk register. This will be updated bi-weekly until non-compliance is closed.</p>

<p>5. Collaboration for remedy- corrective action plan confirmed.</p>	<p>After the agreed time scale the supplier and Seasalt will meet again to review all points on the corrective action plan.</p> <p>If the supplier can divert the supply of the cotton to a compliant source/facility the evidence of this must be provided to Seasalt along with any impact on costs and lead times.</p> <p>If Seasalt confirm the new path for the cotton origin, the move must be actioned immediately. Agreement to disengage business relationships from the original source of the cotton will be confirmed. Both Seasalt and the supplier will confirm all agreed actions in writing.</p>
<p>6. Remedy monitoring and evidence collection</p>	<p>Seasalt will continue to request ongoing evidence of the diverted cotton origin from the supplier by using either supplier Transaction Certificates (in the case of GOTS cotton) or by requesting evidence from mills/fabric suppliers showing evidence of the cotton origin.</p>
<p>7. Failure to remedy non-compliance</p>	<p>If, in the collaborative action plan review, the supplier is unable to provide evidence that the cotton source/facility can be diverted to an approved region, Seasalt will start formal talks about removing product/fabrics from the supplier, disengaging business relationships with any cotton source or business within the supply chain that were in breach of our Responsible Cotton Sourcing Policy. These formal talks will be documented and sent to supplier for final agreement of termination of the relevant product/fabric.</p> <p>Should the finished product be found to be non-compliant to our Responsible Cotton Sourcing Policy, Seasalt will engage actions as detailed in our Tainted Product Policy.</p>
<p>8. Fabric/product termination or removal</p>	<p>Seasalt will review any financial commitments we have with the supplier (such as fabric commitments) and agree a timeline for product/fabric removal and any financial agreements.</p>

Tainted Products Policy

Seasalt has clear expectations regarding the human rights and working conditions of those who touch our product, from cultivation to retail. We will not tolerate human rights abuses such as forced or child labour in our supply chains and will disengage from suppliers who are found to support these practices if no remediation can be found.

Evidence of these practices may be found before, during or after production and Seasalt will not profit from the suffering of others. Therefore, we will not knowingly sell products tainted by forced or child labour and will take the following actions:

Development:

- Re-source the product to another supplier
- Shred and recycle samples and fabric in country through a trusted Seasalt partner
- Supplier to cover all attendant costs

Production:

- Halt production
- Re-source the product to another supplier
- De-label, shred and recycle product in country through a trusted Seasalt partner. If the risk is too great, ship to UK for disposal.
- Supplier to cover all attendant costs

Post shipment:

- De-label, shred and recycle product through a trusted Seasalt partner
- Supplier to cover all attendant costs i.e. FOB prices shipment and lost sales

In some cases, external organisations could be approached to take the de-labelled product and responsibly re-purpose product with full transparency of the conditions of manufacture.

Signed by:



Paul Hayes
Chief Executive Officer

Signed: 31st January 2024
Review date: January 2025