

SUSTAINABILITY REPORT

2020/21

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A MESSAGE FROM PAUL HAYES, OUR CEO

Seasalt has always maintained an ethical, open and honest way of working with our extended community. In practice, that means we treat our customers, trading partners and employees with the respect they deserve.

That approach has never been better demonstrated than in the past year. As the challenges we faced around Covid-19 became apparent, we did not compromise on our beliefs. It has been noted by our customers and our suppliers and is a source of pride throughout the business.

Sustainability has been at the core of Seasalt since the very early days and our work with the Soil Association to develop standards for the use of organic cotton in the fashion industry. In more recent times it is fair to say we haven't communicated our achievements and our plans in such a meaningful way, so we are delighted to bring you this updated report.

The next three years are paramount as we look to act even more responsibly by reducing our impact on the planet and countering the risk of climate change. We have a robust plan in place through to 2024 and beyond, with comprehensive targets and investment.

It is now up to us to start making a difference.





OUR SUSTAINABILITY STRATEGY

Seasalt is a brand with sustainability at its heart. For 40 years, we have been inspired by our home in Cornwall – by the quiet industry of the farmers and fishermen of Penzance who were our first customers and the spiritual connection with the environment celebrated by the artists of St Ives.

We have been pioneers of organic cotton in fashion, in 2005 becoming the first fashion company to gain Soil Association certification for its organic products and in 2013 winning a Queen's Award for sustainable development. The work by our founders, Neil and Sophie Chadwick, with the Soil Association in 2005 helped develop the Global Organic Textile Standard (GOTS), now a gold standard in the retail industry.

But we recognise we must do more. We spent 2020 reflecting, reviewing and refining our priorities. That's why we are bringing a new level of ambition to our Sustainability Strategy, with bold targets designed to ensure Seasalt grows responsibly with sustainability and creativity at the heart of our product, people, community and environment.

OUR HEADLINE COMMITMENTS ARE:

- Working towards making Seasalt a circular business by using science-based targets and introducing innovative projects such as the Seasalt ReLoved take-back scheme.
- Introducing ambitious targets for our products such as using 100% GOTS-certified organic cotton across all our cotton products by 2024.
- Implementing an innovative governance structure to ensure accountability and public reporting of our sustainability progress.
- Ensuring we remain at the forefront of sustainability in fashion by being among the first fashion brands to join the BRC's Climate Roadmap, helping the industry hit carbon net zero by 2040 at the latest.
- Donating £1m to charity by 2025.

These goals are deliberately ambitious, but we like to be stretched. To achieve them – and the others listed on the following pages – our strategy is structured around four pillars. They are Product, Environment, Innovation and Community.

We believe it is vital to incorporate sustainable practices across the full operations of our business.

We have created a formal governance structure to ensure accountability and success. This is comprised of two new committees, made up of directors and heads of departments, who will work with the sustainability department to report progress every quarter into the management board.



This structure was activated in January 2021 and performance will be reported publicly through the annual Sustainability Report from January of next year. At Seasalt, we have a proud history of sustainability. Our new strategy, targets and structure is the foundation for ensuring we have a proud future as well.



These are the goals we have set to achieve our objective of putting sustainability and creativity at the heart of our product, people, community and environment.



OUR FOUR PILLARS



PRODUCT

100% GOTS organic cotton by 2024

100% Leather Working Group leather by 2024

100% Responsible Wool Standard wool by 2024 100% closed loop viscose by 2024

ETI full membership in 2021

Tier 2 supplier mapping by 2023

Environmental reduction target setting for Tier 1 suppliers by 2023



ENVIRONMENT

Support the BRC in helping the retail industry hit carbon net zero by 2040 at the latest

Develop science-based targets in 2021



Seasalt ReLoved takeback programme by 2022

Introduce 3D sampling technology



COMMUNITY

Donate £1 million to charity by 2025

20,000 volunteering hours by 2025



PRODUCT

We recognise that out production process has a significant impact on the environment. We are committed to converting the majority of our collections to more sustainable fabrics by 2024 and working with our supply chain to improve environmental and social outcomes.

OUR APPROACH

We always choose natural fibres where possible.

We're working towards greater transparency by using more third-party certification for our fabrics.

We ensure every supplier we work with upholds our high standards by committing to the Ethical Trading Initiative (ETI) base code.

We constantly evaluate our supply chain, supporting our long-term partners as we grow together.

OUR COMMITMENTS:

- 100% Organic Cotton
 100% GOTS-certified organic cotton across all our
 cotton products by 2024.
- 100% LWG Leather
 100% leather to be sourced Leather Working Group tanneries by 2024.
- 100% RWS Wool
 100% wool across our collections will be certified
 by the Responsible Wool Standard by 2024.
- 100% Closed Loop Viscose 100% viscose across our collections will be closed loop by 2024.
- ETI Full Membership Seasalt to become full ETI members by 2021.
- Tier Supplier Mapping
 All Tier 2 suppliers to be identified and mapped by our compliance & ethics team by 2023.
- for Tier 1 Suppliers.

 100% Tier 1 significant suppliers to have developed energy and waste reduction targets by 2023.

• Environmental Reduction Target setting





ORGANIC COTTON

We have made some of our bestselling products such as our Sailor Shirts using organic cotton for many years and increase the volume we sell with each new collection. Our goal is for all the cotton we use to be certified under the Global Organic Textile Standard (GOTS) by 2024.

Organic fibres are grown without synthetic pesticides, insecticides or harmful fertilisers. The process produces 94% less greenhouse gas emissions and helps save water. It also protects the land, locking CO2 into the soil and making it more resilient to drought.

Growing organic cotton is better for the environment and better for the farmers and workers who process the cotton. Organic farmers are less reliant on external input and are able to choose what they grow and when.

They also produce beautiful-quality, naturally breathable and super-soft fabric that is perfect for the enduring style of our Seasalt collections.

WHAT IS GOTS?

The Global Organic Textile Standard (GOTS) is internationally recognised as the gold standard for organic cotton.

Any clothing with GOTS certification will have been subjected to a strict audit through its entire supply chain, from cotton cultivation to production. Workers are protected by insisting suppliers adhere to criteria set out by the International Labour Association. This ensures fair pay, safe working conditions and the right to freedom of association.

In 2005, Seasalt became the first fashion company to be certified by the Soil Association.

Our partnership contributed to the development of the GOTS certification, which has become recognised across the world.











ORGANIC COTTON

TIN CLOTH

Our trademarked, organic cotton Tin Cloth® is inspired by traditional fishermen's oilskins.

At the end of the 19th century, oilskins were made from re-purposed, worn-out sail cloth, painted with linseed oil and wax to offer strong protection from the elements. We decided to create our own version of this heritage fabric, using organic cotton canvas and a high-tech waterproofing treatment.

Our Tin Cloth® has a soft yet durable finish that preserves the beautiful natural textures of the base fabric, while being fully waterproof and windproof.

WHERE WE STAND

- We sold 279,099 units of fully-certified GOTS organic cotton products last year, matching the 2019 figure despite many of our stores being closed for long periods because of the Covid-19 pandemic.
- 34% of cotton-based options were organic last year, with 19.89% of options being GOTS-certified.
- Our GOTS-approved suppliers are Ekol in Turkey, Afflatus and Brij Designs in India and Comtex (factory TCM) in Vietnam.
- All cotton will be GOTS-certified by 2024.









MEET THE SUPPLIER...

AFFLATUS

MAKING OUR LARISSA SHIRTS ORGANIC

Some products are easier than others to make using organic cotton. When we tried to convert our famous Larissa shirts into organic fabric, we found it challenging to replicate the silky finish our customers love. Technically speaking, organic cotton fibres are shorter and thicker – we needed them to be spun fine enough to create the feel and texture familiar to Larissa lovers.

Fortunately, we were able to work with our Indian supplier, Afflatus, to master the techniques required to go organic.

It has taken years of ambition and effort, but we're excited that Afflatus' mills and expert spinners can now produce organic Larissas.

The joint achievement was only possible because of our long-term partnership with Afflatus. We started small 14 years ago, asking them to make just 10 of our products. Afflatus is now one of our most important suppliers, producing 43 styles for us in winter 2020 in a vast range of our Cornish colours designed in Falmouth and soft and in soft natural fabrics.



Afflatus are committed to doing business in the best way possible and have values that align with our own. They look after their staff and have forward thinking environmental policies and plans. Afflatus work with many other respected brands who, like Seasalt, are members of the Ethical Trading Initiative (ETI), which is one way we connect to a wider community of fashion brands and stay ahead of human rights issues.







SUSTAINABLE FABRICS

It is not all about organic cotton. From raincoats produced using recycled plastic bottles to fabric made from natural wood and organic, bambooderived viscose, we introduce more sustainable fabrics into our collections each year.

We will continue to innovate and explore new ways of making our products as we move towards converting the majority of our collections to more sustainable fabric by 2024.

TIDE CYCLE®

Our specially developed Tide Cycle® fabric is woven from recycled polyester made from plastic bottles. To make it fully waterproof, we use a high-performance, fluorocarbon-free coating, with a bounce out finish, so water runs straight off.

Making our coats with Tide Cycle® helps reduce the amount of plastic flowing into our oceans and takes less raw material, water and energy to produce than conventional polyester. All our Tide Cycle® yarn is manufactured to the Global Recycled Standard, which verifies the recycled materials in a final product and ensures responsible environmental and chemical practices are used in their production.











Single-use plastic bottles are collected and broken down The small plastic particles are then re-spun into polyester fibres These are then woven into the Tide Cycle® fabric we use for our all-weather coats.





SUSTAINABLE FABRICS

LINEN & RAMIE (BAST FIBRES)

Linen and ramie are made using bast fibres, which means the fibres used to make the yarn come from the inner bark of the plant stems. These long inner fibres have to be separated out before being treated for use in weaving or knitting to make fabric.

We make many styles from linen and linen blends in spring and summer because of its beautiful natural quality, breathability and softness. Ramie, an ancient fabric made from nettles, is a more recent addition to our collection. It shares many of the benefits of linen and blends beautifully with cotton for a fabric with a soft hand feel and appealing natural texture.

The plants used to make bast fibres, such as flax and nettles, need minimal water. They thrive on rainwater alone and boost the quality of the soil, helping to increase the yield for future crops.

JUTE

Jute is another bast fibre that we've used in our collections for many years. We make our reusable bags from jute because it is hardwearing and we love its rustic feel, printed with our unique designs.









VISCOSE

Viscose is a type of fabric made from wood pulp that we use in products such as our best-selling Sailor Socks.

Our goal is for all the viscose in our products to be made using closed-loop processes by 2024.

That means it will be produced using techniques whereby all chemicals used are recycled back into the manufacturing process.

LENZING™ FIBRES

We've started to introduce more styles made with LenzingTM fibres. LenzingTM is one of world's leading manufacturers of sustainable fabrics.

These fibres are made from natural wood, which is sourced from renewable forests and processed using resource-preserving technologies. As well as being better for the environment, Lenzing $^{\rm TM}$ fibres are soft to the touch, breathable and lightweight.

Where possible, we use compostable and biodegradable fabrics that are made using closed-loop processes to minimise harmful waste. They include TENCEL $^{\text{TM}}$ Lyocell, TENCEL $^{\text{TM}}$ Modal and Lenzing $^{\text{TM}}$ ECOVERO $^{\text{TM}}$.





VISCOSE

ORGANIC, BAMBOO-DERIVED VISCOSE

We've used organic, bamboo-derived viscose in our clothing and socks for many years.

Woven and knitted into silky soft jersey dresses or lightweight socks, it is breathable and versatile, keeping you warm in the cold and cooling you down in the heat.

Bamboo is a sustainable plant that grows quickly without the need for harmful pesticides and fertilisers. It thrives on rainwater and in places that wouldn't suit many other crops. It is also cut when it is harvested, rather than uprooted, which is better for the soil. At the end of a product's life, when placed in the right environment after a customer has stopped using it, bamboo fibres will biodegrade in 45 days.

Viscose fibres are produced using a chemical process that can be harmful to the environment. We are working towards all our bamboo-derived viscose being produced using a fully closed loop process by 2024. This means using chemicals with low toxicity that are fully recycled back into the production process to ensure no waste contamination.







WHERE WE STAND

- In 2020, 43% of fabrics that contained a viscose mix were Lenzing[™]-certified fabric bases made using the best closed loop manufacturing process and responsibly-sourced natural fibres.
- 32.5% of our viscose-based clothing options were made from Forest Stewardship Council (FSC) organic bamboo.
- In our RAIN collection, **26**% of the products sold in 2020 were made from recycled fabrics.



LEATHER

All the leather we use is a by-product of the food industry and comes from animals that have been slaughtered in a humane way.

We are increasing the use of leather sourced from Leather Working Group (LWG) tanneries to ensure environmental and sustainable best practice is followed in the tanning process. The LWG carefully audit the tanneries to ensure continual improvement of environmental stewardship as well as traceability of materials.

In 2020, 45.8% of the leather used in our footwear collections were from LWG tanneries. By 2024, we will source 100% of our leather from these tanneries.





LEATHER WORKING GROUP

LWG is an international, not-for-profit membership organisation responsible for the world's largest leather sustainability program. Its members are drawn from all stages of the global leather industry

LWG is committed to improving environmental stewardship in the leather manufacturing industry, as well as traceability of materials. It sets targets and assess facilities based to ensure:

- Specific criteria is met on tannery effluent chemicals.
- Complete purification systems are in place for wastewater treatment.
- Chemical management systems are managed and implemented.
- Restricted substance lists are adhered to and chemicals are disposed of in an appropriate manner.
- Reduced water usage and pollution, contamination.
- General facility details and operating permits are in place.
- Energy consumption, air and noise emissions improvements are made.
- Emergency plans and housekeeping are in place.

More information can be found here.





WOOL

We use lambswool and merino blends in all our jumpers and cardigans. We ensure that 100% of the lambswool and merino we use is certified 'non-mulesed'.

Mulesing is a controversial practice that involves the removal of strips of woolbearing 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.

By 2024, we will ensure all our wool products are certified by the Responsible Wool Standard, which recognises the best practices of farmers who look after the welfare of their sheep and the land they graze on.

RESPONSIBLE WOOL STANDARD

The goals of the Responsible Wool Standard are to provide the industry with a tool to recognize the best practices of farmers. It ensures wool comes from farms that have a progressive approach to managing their land, practice respect for animal welfare and respect the Five Freedoms of animal welfare.

More information can be found here.





SUPPLY CHAIN





SUPPLY CHAIN

All our collections begin life in Cornwall. Our in-house team designs every new style, colour and print in our Falmouth studio. Their designs are then brought to life by our trusted manufacturing partners around the world.

We nurture long-term relationships with our suppliers, placing great emphasis on partners who share our values and approach to business. The strong relationships we have throughout our supply chain have proved to be vital during the Covid-19 pandemic.

We choose our manufacturing partners for their expertise and the quality of the products they make. Our primary suppliers are based in India, Turkey, China, Vietnam, Spain, Portugal and Bulgaria. You can find out where each individual style is made on our website and garment labels.

OUR PLANS

Our focus is on achieving greater transparency across our supply chain. We will continue to map our Tier 2 suppliers – those manufacturing partners our suppliers work with for specific tasks, such as dye and print houses – and will have a full picture by 2023.

We will confirm our full ETI membership in early 2021 and honour our commitment to partner with suppliers who, like us, feel a duty to trade ethically and responsibly.

We'll identify sourcing opportunities that provide more contingency and greater agility while also reducing the mix of production in China. The gains we make from improved sourcing and cross-costing will be reinvested to improve fabric sustainability in our supply base.

OUR SUPPLIERS AND THE COVID-19 CRISIS

We are proud of the long-term relationships we have with our suppliers. Seasalt has worked with several of our manufacturers from the very beginning and have grown together for many years.

When the Covid-19 crisis started to impact our supply chain, it was our immediate priority to put the wellbeing of our people first. This included our global of suppliers. Our buying and sourcing teams have been in close contact with our suppliers to agree the following actions. We believe this sets us apart from many fashion brands with international operations.

- Engaged with 100% of Tier 1 suppliers. They communicated information we provided them to their own suppliers and relevant stakeholders.
- Ensured Tier 1 suppliers are secure financially and able to pay workers.
- 100% of suppliers were paid for finished goods.

- No incomplete orders are outstanding.
- We avoided cancellations by adjusting order timelines and producing different products with previously secured capacity.
- More than 50% of stock has incurred delays, but we have been flexible with delivery dates on outstanding stock to ensure factories can comfortably catch up following the easing of lockdown restrictions.
- We have not demanded discounts or requested deferred payments.
- We have renegotiated some payment terms with a few suppliers, but none go beyond 60 days.



FINDING GREATER TRANSPARENCY

We insist that every supplier we work with commits to the ETI Base Code, an internationally recognised code of labour practice. This guarantees the standards set out in the diagram on the next page.

In 2018, Seasalt officially became an ETI Foundation Stage member, allowing us to connect with other members who are leading the way in ethical trade. Members work together to tackle complex questions about what companies can do to trade more ethically and how to make a positive difference to workers' lives.

For example, through our association with the ETI, we intend to sign a call to action on human rights abuses in China's Xinjiang region early in 2021. We are aware of human rights abuses in China's Xinjiang region. We acknowledge the abuse of hundreds of thousands of Uighurs and other minorities in Xinjiang and are in frequent contact with our suppliers, none of which manufacture in this region. We have worked with many of our Chinese suppliers since the early days of Seasalt. We are in frequent contact with them and have built our relationship over many years.

Over the past two years our ethics and compliance team have been auditing our social compliance practices across our supply chain to ensure we align to ETI standard. We are due to achieve full ETI membership in the early part of 2021.

We have a robust system in place to make sure our suppliers comply with the ETI Base Code and identify any potential compliance issues.

MANUFACTURING AGREEMENT & ETHICAL STANDARDS COMMITMENT

Every supplier must commit to signing a Manufacturing Agreement and Seasalt's Ethical Standards Commitment Statement, before we start working with them. Our suppliers promise to work to our Terms of Business and our standards.

SEDEX MEMBERSHIP

All our Tier 1 suppliers are Supplier Ethical Data Exchange (SEDEX) members. SEDEX requires them to complete a self-assessment questionnaire, so we're able to properly appraise them. SEDEX also holds any relevant policies, certificates or audits that our suppliers may have. For example, SMETA audits SA8000, WRAP and BSCI certificates. Our Compliance and Ethics team use this as evidence of compliance with our policies and the ETI Base Code.



REGULAR SUPPLIER CONTACT

Pre-Covid 19, we would visit our suppliers regularly. During the pandemic, we have made sure we talk to them frequently, helping us to manage new developments and give us more creative insight. We hope to eventually return to physical visits.



FINDING GREATER TRANSPARENCY

IN-COUNTRY SEASALT AGENTS

Where we don't work directly with our suppliers we have agents who are our eyes and ears on the ground. Our agents visit our suppliers regularly (at least once a week or more when our products are being made) and provide us with an honest appraisal of the situation locally. Where Covid-19 restrictions are in place our agents follow WHO guidance, social distancing guidelines and any local restrictions relevant in the areas where they are working.

LONG-TERM RELATIONSHIPS

We believe in working with our supply chain long term, not changing to take advantage of a cheaper deal. This approach secures us the best quality product, an invaluable level of trust and in-depth knowledge of the supplier and the factory environment. This enables us to grow our businesses together and develop a mutual respect. Furthermore, if any improvements need to be addressed (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.

For more details on how we work with suppliers, see here.

Why commit to the ETI Base Code?



www.ethicaltrade.org



Employment is freely chosen

Slavery and bonded labour are totally unacceptable. Almost 21 million people are victims of forced labour.



Freedom of association and the right to collective bargaining are respected

Tens of thousands of workers lose their jobs every year for attempting to form or join a trade union or improve working conditions. Some even lose their lives.



Working conditions are safe and hygienic

An estimated 2.3 million people die every year from work-related accidents and diseases.



Child labour shall not be used

168 million children work to support their families, missing out on education and often damaging their health. This reinforces the cycle of poverty.



Living wages are paid

Roughly half the world's population still lives on two dollars a day. If people can't feed their families on an adult's wage, they may send their children to work.



Working hours are not excessive

Long working hours are the norm for most of the world's workers. This damages people's health and undermines family life.



No discrimination is practised

Women and certain minorities are often confined to the lowest-paid jobs with no access to training or promotion.



Regular employment is provided

Most workers can be laid off when it suits the employer. This fuels poverty and insecurity and drives down wages.



No harsh or inhumane treatment is allowed

Few workers have protection against physical, verbal or sexual abuse in the workplace.



REDUCING ENVIRONMENTAL IMPACT

ACROSS OUR SUPPLY CHAIN

We see our suppliers as an extension of our own community. We are committed to increasing engagement with our supply chain so we can work together to reduce our impact on the environment.

In 2019 we surveyed our Tier 1 suppliers to understand the efficiency of their environmental management systems. Approximately 80% responded and shared their performance across energy usage, water, waste and clean chemistry. The results are as shown.

We will continue to monitor the performance of our Tier 1 suppliers and support them to achieve better efficiency across their operations. In 2021, we will complete another audit of our Tier 1 suppliers as we work together on reaching our carbon net zero target. From 2023 our sustainability team will work with these suppliers to develop environmental targets to support Seasalt's net zero goal. Updates will be shared in future sustainability reports.



CARBON NET ZERO

70% of tier 1 suppliers monitor energy use and have installed LED lighting



CIRCULAR WASTE

65% of tier 1 suppliers have processes in place to reduce fabric waste with more than 50% selling or donating waste to third parties for recycling or reuse.



WATER STEWARDSHIP

Water is less material for Tier 1 than further down in the supply chain. However 55% of our tier 1 supplier monitor water with nearly a third of supplier having an effluent treatment plant.



CLEAN CHEMISTRY

More than two-third of tier 1 suppliers handle, move and store chemicals in a responsible way.



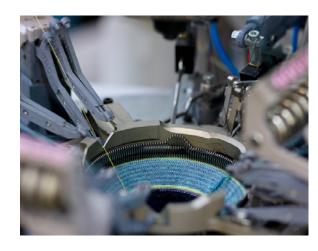
MEET THE SUPPLIER...

JORG

STAND OUT SOCKS

Socks are one of our signature products at Seasalt and our biggest supplier is Bulgaria-based JORG. In 2014 we ordered 2,000 pairs of socks from them – last year, it was more than 125,000. It's a wonderful story of growth and of what can be achieved with long-term relationship building. As our business has grown, so has theirs.

Just like us, JORG is a family run company committed to making beautiful products that last and wear well. We wanted to work with them because of their commitment to innovation and new designs, even complex ones.



Importantly, JORG work with sustainable yarns such as <u>organic cotton</u> and bamboo derived viscose. JORG's values also align with ours. They have been awarded the highest grade for their ethical standards by independent auditors. They even run on 100% renewable energy.

Like many of our Seasalt designs, our socks are a marriage of functionality and artistry. As fellow sock obsessives, JORG have been generous in helping to train and support our junior teams as they learn about sock manufacture. They also help make a difference to our chosen charities. Many of our JORG creations contribute to our Seasalt Giving as we make a 20p donation to charity for every pair of single Seasalt socks we sell.

For more information, stories and videos on our suppliers, see <u>here.</u>







ENVIRONMENT

Our operations have a significant impact on the environment. We have set targets to reduce waste across the business and have pledged to cut our carbon footprint to net zero within 20 years.

OUR APPROACH

We believe tackling climate change requires a collaborative approach. We are working with fellow retailers and suppliers to reach carbon net zero.

We are improving the quality of our data to better understand our impact on the environment.

We are investing in innovative ways to reduce waste, including sustainable store concepts.

OUR COMMITMENTS:

• BRC Climate Roadmap Support the British Retail Consortium as the retail industry aims to hit Carbon Net Zero by 2040. Our

goal is to get there earlier.

• Science Based Targets

Develop science-based targets in 2021 to help Seasalt reach carbon net zero earlier than 2040 and contribute to limiting increases in global warming.





ENVIRONMENT

As Seasalt has grown as a business, so too has our dedication to behaving responsibly. But with the climate crisis becoming more critical with each year, we know our choices matter now more than ever.

That's why we have a clear plan to reduce our carbon emissions to net zero within 20 years, meaning our operations cause no harm to the environment.

To get there, we are developing science-based targets that will contribute to limiting climate temperature increases and provide us with a clear understanding of how we reach our net zero target earlier than 2040.

Our priorities are working with our supply chain and incorporating more sustainable fabrics into all our ranges. Details of how we will reduce our environmental impact in both categories can be found earlier in this report.

We are also experimenting with new store formats that dramatically cut our environmental footprint and are examine ways to cut our waste to zero landfill.

THE ROAD TO NET ZERO

Seasalt became one of the first fashion brands to sign up to the British Retail Consortium (BRC) Climate Action Roadmap in November 2020. Through this collaboration we will be supporting the retail industry in working towards carbon net zero by 2040.

The BRC Climate Action Roadmap brings together more than 60 retailers to work with suppliers, the government and other stakeholders to collectively deliver on net zero targets.



The BRC will support retailers by highlighting requirements from government, with the following milestones proposed for reduction to zero emissions:

Scope 1: 2035

Direct emissions from retailers' owned or controlled sources. Examples include fuels for heating, logistics and refrigeration gases.

Scope 2: 2030

Indirect emissions from the generation of energy purchased by retail businesses.

Scope 3: 2040

Indirect emissions (not included in scope 2) that occur in the value chain of retail businesses, including both upstream and downstream emissions (including supply chain, logistics and customer related emissions).

How will we get there? We will pursue action on five pathways in collaboration with other retailers, as recommended by the BRC. More details can be found here.



REPORTING OUR CARBON FOOTPRINT

It will soon become law for large privately-owned companies like Seasalt to report their emissions and energy usage under the government's policy on Streamlined Energy and Carbon Reporting (SECR). In the past year, we have updated our energy and carbon reporting to meet these new requirements and increase the transparency with which we communicate about our environmental impact to our stakeholders.

Seasalt recognises that our operations have an environmental impact and we are committed to monitoring and reducing our emissions. Since 2018, we have commissioned the environmental consultancy Avieco to calculate our greenhouse gas (GHG) emissions across our operations.

The table below sets out our emissions for Scope 1 and Scope 2 for the financial year ended February 1st 2020. We will use this as a foundation and

publish our full data, including Scope 3, in next year's Sustainability Report. Details of what is included under each Scope are on the previous page.

COMMENTARY

We expect to make significant improvements when we report our SECR data next year. For the year under review, we opened 11 new stores as part of our growth strategy, thus increasing the overall electricity footprint. In addition, another 11 sites, which were not open for the entirety of the previous year, were open for the full period.

The disruption caused by Covid-19 has prevented us from taking the steps we planned to reduce emissions in some areas, but we are confident we will be able to show progress in next year's report.

	Emissions Source	EMISSIO	Variance	
		2019-20	2018-19	Variance
	Natural gas	78	32	144%
Scope 1	Other fuels	16	9	78%
	Refrigerants	0	18	-100%
Total S	icope 1	94	58	60%
Total Scope 2 (location	on based) - electricity	676	562	20%
Total Scope 2 (mark	et based) - electricity	37	30	26%

OUR PROGRESS

• Data quality

Focused on improving overall data quality.

• Energy audit

Review of energy usage across full estate (scope 2) including retail stores,head office and warehouse in line with SECR compliance regulations.

• Renewable energy

87% of all energy across scope 1 & 2 is purchased from renewable energy sources.

Waste

Removal and recycling of all single use polybags from online deliveries.

New store concept

Launched our first sustainable Seasalt store concept in Norwich resulting in a 68.5% decrease in carbon emission compared to an existing store.

• Plastic free packaging

We have successfully removed the remaining single use plastic from our accessories product packaging, including kimbles and hooks.



REPORTING OUR CARBON FOOTPRINT

METHODOLOGY

We engaged with teams across our business to collect data from our operations. Data have been collected, reviewed and calculated in accordance with:

World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version).

Defra's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019).

UK office emissions have been calculated using the Defra 2018 and Defra 2019 carbon conversion factors.

Using the World Resources Institute GHG Protocol Corporate Standard, we have taken into consideration the best practice reporting principles of relevance, completeness, consistency, transparency and accuracy.











SCIENCE-BASED TARGETS

In 2021, we will develop science-based targets that provide a clear pathway to reduce greenhouse gas emissions to net zero in line with goals agreed by the Paris Agreement on climate change.

According to the Science Based Target initiative (SBTi), that means setting goals that contribute to "limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C".

The next decade is critical in the fight against climate change. By setting science-based targets, Seasalt will support worldwide efforts to limit global warming. It will form a crucial element of our sustainability strategy in the years ahead.

Ultimately, our goal is to reach the definition of net zero emissions as set out by the SBTi:

Achieving a state in which the activities within the value chain of a company result in no net impact on the climate from greenhouse gas emissions. This is achieved by reducing value chain greenhouse gas emissions, in line with 1.5°C pathways, and by balancing the impact of any remaining greenhouse gas emissions with an appropriate amount of carbon removals.



Setting science-based targets is a challenging process. It requires validation from the SBTi, communication to stakeholders and annual progress reports. We believe it is worth the hard work because it shows our commitment to tackling climate change and ensuring Seasalt grows responsibly.

We will share more detail on how we intend to make our operations carbon net zero in the next annual sustainability report.







SPOTLIGHT ON...

SUSTAINABLE STORES

In September 2020, we unveiled the first Seasalt sustainability concept store in Norwich, part of our drive to find innovative ways to reduce our impact on the environment.

We worked on a store design that offered the full Seasalt range in an environment where customers can see and feel our Cornish roots and appreciate our commitment to sustainability.

The result was a store with carbon a footprint that is 68.5% lower than a regular Seasalt shop.

We achieved this reduction, which was confirmed in independent analysis by the environment consultancy Avieco, through innovative use of flexible fixtures, repurposed furniture and reusable displays.

In these new stores, each element of the design is analysed for its impact on the environment. Carbon-intense plasterboard fittings are replaced with birch-faced plywood sourced from Forestry Stewardship Council (FSC)-certified forests. Lighting is handmade using Cornish and Somerset-grown willow. Upholstery fabric is made in England from recycled REPREVE fabric that creates 0% landfill.

Everything is flat-packed or modular in design, making it possible to roll out new stores quickly and efficiently.

The concept store does not only help the environment – it also makes good business sense. There is a 25% cost improvement in opening and operating the store compared with a similar-sized version using traditional materials. Customers also loved the idea: Sales in the first two weeks were more than 20% higher than in Seasalt stores of similar size in similar locations.









WASTE REDUCTION

Seasalt has made waste reduction a priority. We are examining ways to reach zero waste to landfill across all our stores, warehouse and head offices and hope to set out our plans in next year's report. We have implemented the following initiatives in recent years to reduce waste.

SINGLE USE PLASTIC

In 2018 we undertook a series of major projects such as swapping the plastic in our now fully recyclable packaging for more environmentally friendly alternatives. As a result, we have removed 18 tonnes of single-use plastic from the business every year.





ACCESSORIES PACKAGING

Since making the conversion in 2018, we have removed plastic hooks and kimble tags from 138 styles a year (or 63,208 products), replacing them with card or string alternatives.

We replaced plastic used in labelling for technical product teams with a sustainable paper alternative, saving 49.2Kg of plastic per year



PLASTIC-FREE MESSAGING DISPLAYS IN-STORE

Under another project, approximately 1,050 pieces of plastic vinyl used for promotional messaging each year have been converted to reusable or recyclable plastic-free alternatives. That includes:

- 840 vinyl sale banners now use reusable cotton canvas hanging banners – hung on wooden poles using natural jute, ethically-sourced Nutscene twine.
- 210 promotional vinyls are now recyclable cards to stand or hang in window or stencils on glass.



WASTE REDUCTION

RE-USABLE ALTERNATIVES

Instead of using plastic pallet wrap for internal transfers between our warehouses, we use reusable tarpaulin hoods. New hood covers are made of 140gsm HDPE woven with LDPE lamination and aluminium eyelets. Straps are made of nylon with metal buckles.

RECYCLING

Cardboard and plastic from our warehouse is collected by our recycling partners to be given a second life. There are also recycling points in our studios and offices, for everything from cans to crisp packets. Any plastic polybags used in our business have been changed to LDPE4 plastic. These bags protect our products as they are shipped between our suppliers, warehouse and shops. They are removed before the products are sent to customers to guarantee that they are properly recycled. The bags are sent to our recycling partners who convert them into plastic pellets, which are sold on to produce new products.

MANAGING OLD STOCK

Details of Seasalt ReLoved, our clothing takeback pilot, are on page 32. In addition, any product that can no longer be sold in shops or online is either sold at staff charity events or sent to our partners to be recycled. In 2019, we raised £18.5K at staff charity events, which was donated to our charity partners. The Covid-19 outbreak meant we were not able to achieve this figure in 2020, but we intend to return to this practice when we can.









INNOVATION

Seasalt is not fast fashion. Our clothes are designed to be loved and to last. But only by embracing new ideas can we – and the fashion industry – begin to reduce our impact on the environment.

OUR APPROACH

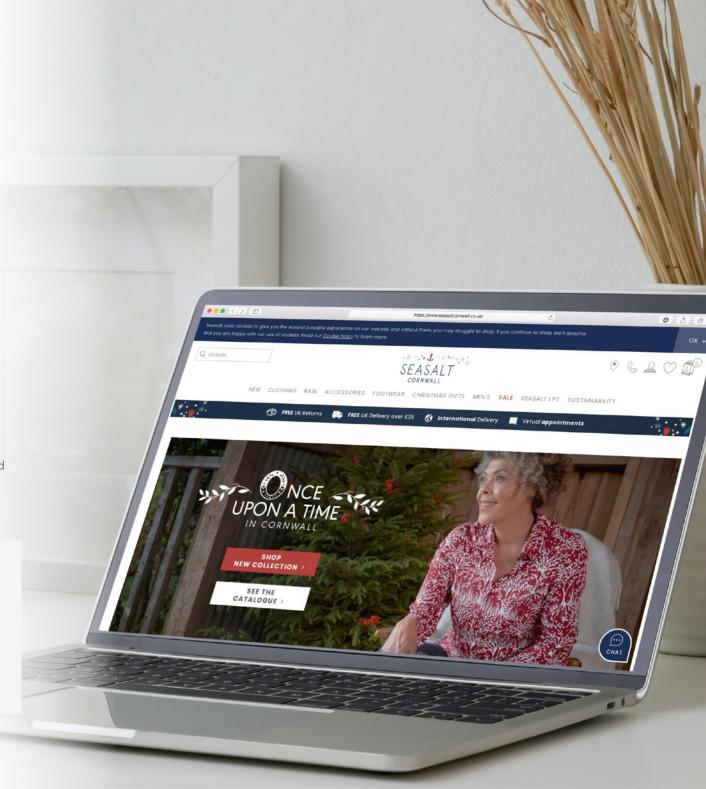
We are exploring ways to implement innovative circular concepts into our business.

We are focusing on designing out waste and pollution; keeping products and materials in use; regenerating natural systems.

Our commitment to full price sales with only selected discounting means we order the right amount of product and do not clog the system with excess clothing.

OUR COMMITMENTS:

- Seasalt ReLoved
 Roll out a full clothing takeback scheme by 2022.
- 3D Sampling Technology
 3D sampling to be implemented across supplier to reduce environmental impact through emissions and waste.





CIRCULAR THINKING

From our humble beginnings in Penzance, Seasalt has transformed into a thriving digital business with sales in 156 countries.

As we have grown, so too has our impact on the planet and the need to explore new ways of reducing waste. It applies to every part of our business, from the design process in Cornwall through the supply chain and into the communications we have with customers before and after they buy our products.

We are in the early stages of integrating circular principles into our business model.

Circularity in fashion stresses the importance of reusing and recycling fabric, eliminating waste where possible and employing manufacturing techniques that do not harm the environment.

The movement is gathering momentum and we are learning all the time. The Ellen MacArthur Foundation, a pioneer of the circular economy, estimates the fashion industry could unlock \$560bn of economic opportunity if it moved to a circular system.

Seasalt is already starting to move in that direction, as detailed throughout this report. Our work with suppliers to better understand their environmental management systems is helping reduce their emissions and our carbon footprint. We have committed to sourcing more sustainable fabric across all our ranges by 2024.

OUR PLANS

We are implementing a number of circular innovations into our business in 2021. We will pilot a takeback programme, Seasalt ReLoved, in selected stores across the UK. The goal is to better understand the quality of our product after our customers no longer wish to keep them. This will enable us to further investigate circular business models. Our ambition is to implement the scheme across our physical and digital channels by 2022.

Our digital transformation programme will reduce the need for physical product samples. We are integrating 3D sampling and virtual product development throughout our design process, saving time, reducing costs and improving our carbon footprint.

These are just the first steps at the beginning of our circular journey.







SEASALT RELOVED

We believe our clothing has more to give after you've finished wearing it. Too good to go to waste, Seasalt ReLoved creates a new chapter for Seasalt clothes that have been loved and lived in, helping us close the loop and sew the seeds for a better future.

We are planning to launch this pilot circular initiative in selected stores across the UK in 2021. The goal is to strengthen our relationship with customers by encouraging returns and reducing waste. It will also allow us to analyse our own products and develop ways to improve their longevity.

We know our customers are interested. In a recent survey, more than 78% said they would be encouraged to return their second hand Seasalt clothing after they have stopped wearing it if they knew it would make a difference to the environment.

Seasalt ReLoved is designed to save clothes from landfill by helping customers give our garments another story; a second life that rewards recycling and inspires creativity while reducing impact on the environment.





PRODUCT DEVELOPMENT

Our product development process lasts 41 weeks from sketch and swatch to bulk sign off. This is quite deliberate. Seasalt is not fast fashion: We design our products with care and love, working closely with our suppliers to ensure the highest quality.

But we know this process creates a lot of samples being sent back and forth to ensure the correct quality level. These samples create unnecessary waste.

What if much of the waste could be avoided? In 2021, Seasalt intends to begin integrating new technologies to produce 3D sampling. The goal is simple: Transporting fewer samples into the business will reduce carbon emissions, water and waste.



CREATE

The 3D application integrates with our Product Lifecycle Management system. Teams can work smarter and we'll need fewer physical samples.

PLAN

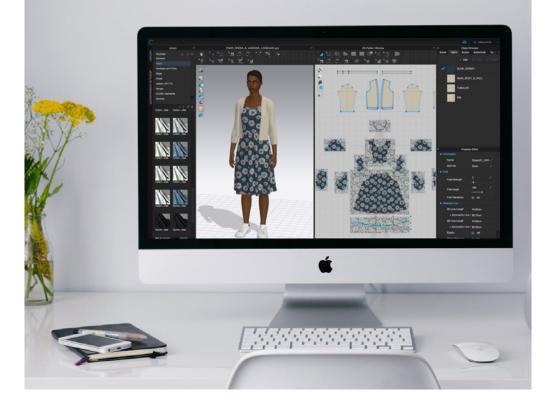
Quicker, more informed decisions are possible, as 3D visualisations help product teams to shape the collections.

SELL

We'll work with other systems to create virtual Seasalt showrooms, shops and bespoke avatars.

SAVE

In the first three years, we project a dramatic reduction of our carbon footprint and substantial cost savings.





COMMUNITY

In a year dominated by Covid-19, our people and communities have been tested like never before. We have worked to support each other and through adversity have grown stronger.

OUR APPROACH

We respect the individuality of our people and let their personalities shine through in everything they do.

We are open, honest, informal and genuinely care for each other.

We believe in actively supporting our communities by contributing to causes we believe in.

OUR COMMITMENTS:

- £1 million donation to charity

 Donate £1 million to our chosen charities by 2025.
- 20,000 volunteering hours Employees across Seasalt to achieve 20,000 volunteering hours for charities by 2025.





PEOPLE

Seasalt is proud to be among Cornwall's biggest employers. We embrace our place in the community and strive to ensure all our people can reach their full potential.

In an engagement survey from January 2020, some 85% of the business said they were proud to work for Seasalt, with 83% saying they would recommend Seasalt as a great place to work.

The events of 2020 tested our people and the way we interact with them in ways no one could have anticipated. When the first national lockdown was announced in March 2020, we successfully transitioned our head office team to working from home, implemented strict safety features in our distribution centre and furloughed hundreds of store staff.

It was a stressful time for everyone. During such a disruptive period, the values Seasalt employees live by have been more relevant than ever.

Respectful:

How we treat each other, our community and our planet matters to us. We never lose sight of the people who wear our clothes.

Adaptable:

Our world is fast-paced and constantly changing; we embrace it by being proactive and dynamic.

Hard-Working:

We're proud of our achievements and the quality of our work but we're also ambitious, focusing on how we can do better.

Innovative:

We love looking at things differently and welcome new ideas, wherever they come from.









PEOPLE

Despite the severe disruption caused by Covid-19, we were able to make progress in the following areas:

THE ANCHOR

In January 2020 we launched the Anchor, an internal hub for communicating business updates and successes, advice on health and wellbeing, individual achievements and updates to company policies. It proved an essential resource during the various lockdown to stay in touch with our employees around the UK.

SALARY EXCHANGE SCHEME

We introduced salary exchange as an option for employee pension contributions to the Seasalt Pension Scheme in Spring 2020. Salary Exchange allows employees to make a personal contribution so their pension before National Insurance and Income Tax is deducted. More than 60 employees have elected the salary exchange option since the introduction of the scheme. We are investigating extending the reach of the scheme in 2021 to more employees.

SUCCESS FRAMEWORK

In November 2020 we launched a framework of the behaviours, skills and approach we expect at each level of role, known as The Seasalt Success Framework. Alongside this we introduced role grading and pay banding structure to ensure our remuneration structure is more transparent. This is encompassed in a new Remuneration Policy. The aim of both is provide our staff, and potential recruits, with clarity on our expectations of them, introduce transparency on remuneration and how to progress within the business and support internal mobility and promotion.

DIVERSITY

We recently conducted a comprehensive Diversity and Inclusion audit with the support of the Inclusive Employers Consultancy and a survey of all our staff on our approach to diversity and inclusion. We will formulate Seasalt's overarching approach to supporting and driving diversity and inclusion, with short, medium and long-term actions to deliver this.

CAREERS

We are planning to launch a Recruitment, Promotion and Secondment policy in Spring 2021 with related training resources, which will facilitate staff movement between the departments.

PARENTAL POLICIES

We will examine our current entitlements and consider whether they are consistent with the retail sector as part of our benefits review in 2021.





LEARNING & DEVELOPMENT

In 2020 circumstances meant we moved much of our learning and development programme online. We still delivered leadership workshops and workplace support, through our 'Leading People' programme.

We continued to support our apprentices, adding another five apprentices in 2020.

We currently support 16 apprentices across the business, two of whom work in our stores.

Since we started our apprenticeship programme, we have seen eight complete their level 2,3 and 4 programmes, with 7 remaining and progressing in the business. All that have completed are located in Cornwall with three being school leavers securing full time positions with Seasalt.

We have supported two graduates throughout this period demonstrating our commitment to support a future workforce and plan to further this commitment in 2021 by supporting those looking to advance their a-level results through degree apprenticeships.

The development, capability and approach of the apprentices in their roles have helped to champion the benefits of recruiting apprentices to fill a vacancy, rather than always seeking an experienced candidate.





WELLBEING & MENTAL HEALTH

The events of 2020 put wellbeing and mental health in the spotlight like never before. For many years, Seasalt has offered benefits designed to boost our employees' wellbeing at work and beyond, but the Covid-19 crisis provided a different challenge.

The rapid spread of the disease forced us to quickly adapt the way we communicate with our people. A social community was added to The Anchor, our online hub, allowing colleagues to stay in touch by sharing stories, recipes and messages of positivity. Seasalt Social also became the primary method of communication for employees during periods when many had been furloughed.

We continued to offer regular mindfulness sessions, although rather than being outside our offices in Falmouth or Redruth, most were now virtual. Staff are provided with free annual Headspace app licenses.





A 'Wellbeing Reimbursement' was introduced in 2019, which allows all Seasalt employees to claim back 10% of the cost of any physical or mental wellbeing activity they participate in each month. We aim to revamp this in 2021 when such activities are again possible.

We also promoted Mental Health Awareness Week and World Mental Health Day, discussing the impact on our wellbeing of changes to the way we work, along with issues such as body image, self-esteem, sleep, self-care, suicide and suicide prevention.

RETAIL TRUST

All employees are given free and confidential access to retailTRUST, which offers a wide range of support services. The aim of retailTRUST is to improve the lives of people involved in retail and the supporting service industries. The retailTRUST platform offers a range of support, including financial assistance, face-to-face and telephone counselling, Cognitive Behavioural Therapy (CBT), non-repayable grants, career development, return to work and re-skilling initiatives and legal advice.

retailTRUST®





SEASALT GIVING

Seasalt has always actively supported charities that make a difference, both nationally and closer to home.

Our aim with Seasalt Giving is to make a meaningful contribution, both financially and creatively, to the charities and communities closest to our hearts.

We donate 20p from the sale of every pair of single Seasalt socks to charity. During the pandemic, we have made the same donation from every face covering we have sold.

This year we are launching a partnership with Mind, the mental health charity, which will signal a step up in our involvement in one of the causes we believe in most passionately. Further details are on page 41.



Since 2018 we have partnered with three key charity partners: Hospital Rooms, who use art to improve the wellbeing of mental health patients, Mylor Sailability, which runs sailing and powerboat sessions for people with disabilities and the Cornwall Community Foundation's C100 Club, which supports local community projects. In addition, we fund an apprentice bursary at the world-renowned Leach Pottery in St Ives each year.

In 2020 we donated £45,000 to our charity partner Hospital Rooms. We also donated surplus fabric to Cornwall Scrubs, a community of volunteers who made make scrubs for local hospitals and NHS workers across Cornwall during the summer lockdown.









SEASALT GIVING

LOCAL GIVING

Local giving has always been important to Seasalt and 2021 will continue to see us support local initiatives. Some of our projects include the supporting the reopening of Hall for Cornwall, a theatre and arts venue, and an anniversary campaign with Leach Pottery in St Ives.

These partnerships serve a different purpose with their own objectives, so they will not be competing with our national charity partnership.







MIND PARTNERSHIP

Our new charity partner, Mind, fights for a cause that resonates with our customers and our people.

Mind is the UK's leading mental health charity. Founded in 1946 as the National Association for Mental Health, Mind offers information and advice to people with mental health problems and lobbies government and local authorities on their behalf. There is a network of 125 local Minds across England and Wales that offer specialised support and care based on the needs of the communities they support.

We believe our shared values and culture will enhance the partnership between Mind and Seasalt and help us make a full contribution to Mind through donations and volunteering hours.

We will raise money for Mind through customerfacing and commercial campaigns and staff fundraising projects.



Ultimately our goal is to raise awareness of mental health amongst Seasalt employees and customers and to help encourage and normalise discussions about mental health.









SPOTLIGHT ON...

HOSPITAL ROOMS AT BETHLEM MOTHER AND BABY UNIT

Since 2018, we have supported Hospital Rooms, an arts and mental health charity co-founded by Cornish curator Niamh White and artist Tim A Shaw. They commission world class artists to work with mental health patients and staff to radically transform locked mental health units with museum quality artwork.

As part of our partnership, Seasalt has funded a six month project at Bethlem Mother and Baby hospital.

Part of the NHS, mothers are admitted if they are suffering from severe mental health difficulties, either before or after having their baby. The unit has a whole host of ways to care for the women who find themselves there, from psychological talking therapies and medication to massage and the arts. It's one of the few units in the country able to keep babies with their mothers during treatment.

The project has seen six artists, including Eileen Cooper and Nicola Bealing, host workshops with mums and staff before working to transform a designated space within the hospital with a unique installation.











VOLUNTEERING

Seasalt Volunteering was created to give back to the communities where we live and work. Employees across the business are given an additional day's paid leave each year to support a cause they believe in.

Unfortunately, Covid-19 restrictions meant we had to put the programme on hold. We are working to reactivate the initiative in 2021, with a focus on supporting the wellbeing of our communities. We plan to provide more frequent training for Guardians – employees who manage the volunteering programme – to help embed our values and engage volunteers in the impact we can have on our communities.

We have a strong foundation upon which to build.

Since the volunteering programme launched in 2018, we have collectively contributed 4,339 hours, including time given to local environmental, animal and community charities across the UK. Our goal is to hit 20,000 hours by 2025.





Thankfully, we have still been able to support our communities in other ways throughout the pandemic:

- Through the donations that have been raised through selling our reusable facemasks, we were able to donate £100k to our charity partners.
- We donated surplus fabric to Cornwall scrubs, a community of volunteers coming together to make scrubs for the local hospitals and NHS workers across Cornwall during the summer lockdown.



