#### 2023 Sustainability Progress Report



#### Introduction

As part of the process to continually improve, and to deliver on the goals and targets we set within our sustainability strategy, we present our 2023 Sustainability Progress Report. This report will allow you to see the progress made against the goals we set in 2022 across the three impacts areas, People, Planet, and Product. It also allows us to share the learnings and challenges we have encountered, and make any necessary changes to both the business and our strategy targets going forward. Being our first Sustainability Progress Report, we have worked with Go Well Consulting to guide us through the process and provide us with valuable feedback on our actions as we move through our strategic plan.

Looking after our land and people are key to driving success at Swanndri, so we are committed to continually driving change through our business and supply chains to meet our goals.

Below is a table of all our targets for the 2022-2023 financial year, and if they have been achieved, not achieved, or whether they are still in progress. We have included more information on our actions in the corresponding notes section.

The information provided in this report is, to the best of our knowledge, up to date and accurate. However, there may have been further developments made on targets we are not yet aware of.

Many thanks,





2023 Targets	Status	Notes  - We connected with Ask your Team to conduct a wellbeing survey, and have taken action, including implementing a monthly morning tea for the team. We will keep conducting these surveys to ensure our team's wellbeing is a priority.		
Implement a regular employee engagement survey to obtain feedback, assess staff wellbeing and the benefits we offer align with staff desires.	A			
Set targets for staff engagement and wellbeing in 2023 and 2024.	IP	- We have conducted two survey's so far, and are working with Ask your Team to help set targets for improvement.		
Review our existing practices, then develop and implement a diversity & inclusion policy.	IP	<ul> <li>We conducted a Diversity, Equity and Inclusion Survey with our team, and from the results developed a Diversity, Equity and Inclusion Policy. We are yet to share this with the team.</li> </ul>		
Take active steps to ensure we are avoiding unconscious bias within our operations and providing equal opportunity for all, including in recruitment.	A	We have amended the way we recruit, removing names and photos from CV's we receive to ensure unconscious bias is not practiced in our recruitment.		
Ensure our workplace policies are up-to-date, including that they include employee assistance programmes, appropriate leave and clear grievance processes as well as zero tolerance for bullying and harassment.	NA	- We are still reviewing our policies, and are yet to connect with an employee assistance programme.		
Ensure we undertake exit interviews for all departing staff.	А	<ul> <li>Have implemented exit interviews for any departing staff. Our first exit interview was conducted in November 2022.</li> </ul>		
Allocate budget for staff training and engagement on health and wellbeing.	А	We have allocated a specific budget for training of staff and health and wellbeing.		





# Develop a policy to ensure our brand imagery reflects a diverse range of ethnicities, ages and sizes. A - A policy was developed and given to all marketing team and consultants to ensure consistency across imagery. We have also started to organise models in different sizes to be used on our website - this will be present from Winter 2024. Ensure all office staff have the opportunity to work at standing desks.



2023 Targets	Status	Notes  - We have conducted a mapping exercise, and are working through the gaps we have to achieve this goal.		
Map our current supply chain to Tier 3 to identify any risks and relevant certifications held.	IP			
Research and understand different supplier certifications, and set targets for the number of certified suppliers in our supply chain for 2023 and 2024.	IP	<ul> <li>We have reviewed the current certifications in our supply chain, but are yet to work through and set targets for the number of certified suppliers.</li> </ul>		
Develop and implement a process to verify all certifications within our supply chain.	A	- We will work with our consultants to verify certifications from our suppliers.		
Develop a (Procurement strategy / mitigation plan) for any gaps and other risks we identify in our supply chain mapping.	IP	<ul> <li>We are working through the gaps in our supply chain mapping exercise, and will work to develop a plan from these results.</li> </ul>		
Investigate agencies that could conduct audits of and provide training to our suppliers.	A	<ul> <li>We have researched different audit companies and are working through costs and resourcing needed.</li> </ul>		
Review our Supplier Code of Conduct to ensure it aligns with industry best practice and make this publicly available.	A	<ul> <li>We have researched what a 'living wage' looks like in each of our manufacturing regions, and are now reviewing the audit results of the wages of our suppliers to identify any suppliers who are not meeting this.</li> </ul>		
Ensure our all of our supply chain personnel undertake regular training around modern slavery and supply chain risks.	NA	- This has not been started.		



2023 Targets	Status	Notes  - We are now tracking all community and charitable engagement, and will report on this every 3 months. In FY23 we have donated over \$12,000 to charity and community organisations in New Zealand.		
Collate data on our charitable and community engagements to date, and clearly communicate to our stakeholders.	A			
Identify community / charitable projects or causes that are aligned with our values and develop a plan to collaborate with them in the long term, then and set targets for contributions in 2023 and 2024.	A	<ul> <li>We have identified a variety of charitable partners we would like to work with, and have already engaged with Trees for Canterbury and Backcountry Trust.</li> </ul>		
Develop a communications plan relating to our community and charitable engagements.	A	<ul> <li>A communication plan has been developed which focuses on sharing the details of our charitable partnerships which has the purpose of raising awareness of our aligned goals.</li> </ul>		
Actively participate in industry groups and conferences relating to the transition to the circular and NetZero economy.	IP	- Our team now regularly participates in webinars and courses on sustainability.		





2023 Targets	Status	Notes  - We have conducted a packaging audit and reviewed all the materials that our suppliers are working with across all our packaging,		
Undertake a packaging audit to identify the types and volumes of packaging used by our business.	A			
Develop a plan to eliminate any unnecessary packaging identified in the packaging audit.	IP	<ul> <li>We are working with our suppliers to reduce packaging and improve the materials used on some of our packaging items.</li> </ul>		
Identify the end-of-life solutions available to our customers for the key markets we operate in.	А	<ul> <li>We have reviewed the end-of-life solutions available in New Zealand, Australia and the United Kingdom, for all our packaging items.</li> </ul>		
Develop a plan to ensure the highest proportion of our packaging possible, best aligns with the end-of-life solutions our customers have.	NA	- We have not started this action as yet.		
Work with our 3PL partners to understand their recycling capabilities to reduce the amount of packaging they use and ensure what they do use is not sent to a landfill or incinerated.	IP	- We are still working with our 3PL partners to understand what they do with their packaging items. Will keep progressing on this target.		
Investigate ways to increase the reuse of our packaging at our sites.	A	We have worked with our stores to increase their collection systems and are encouraging them to reuse all bags, boxes and anti-mould sachets as much as they can		
Implement "a bag or donation" policy in our stores.	А	- Launched this in March 2023. Please see more in the case study below.		



2023 Targets	Status	Notes		
Identify ways in which we can incorporate greater recycled content into our packaging and set targets for 2023 and 2024.	NA	<ul> <li>We have not started this yet, as we will need to finish reviewing th current certifications of our suppliers.</li> </ul>		
Investigate increasing the proportion of virgin paper and cardboard used in our packaging that is from certified sustainably managed forests and set targets for 2023 and 2024.	NA	<ul> <li>We have not started this yet, as we will need to finish reviewing the current certifications of our suppliers.</li> </ul>		
Ensure that all of our stores and our head office have bin systems to separate materials into the correct streams for recycling, composting or reusing.	IP	<ul> <li>Still yet to be actioned fully. Soft plastics need to find a solution for Wellington. We also need to ensure they have the facilities for composting.</li> </ul>		



Case Study

SWANNDRI

The Backcountry Trust are the unsung heroes keeping our wilderness open for everyone. These folks take it upon themselves to keep our huts in tip-top shape and tracks ready for your next adventure.

In 2023 we implemented our "Bag or Donation" initiative in our stores, donating 50 cents for every sale when a customer agrees not to take a shopping bag home or brings their own. We hope to encourage customers to reuse bags they already have to help reduce packaging waste.



2023 Targets	Status Notes	
Map our supply chain as far as possible to gain visibility of each supplier's water scarcity risks, the management and volumes used of water and chemicals when making our products, and any accompanying certifications.	NA	- We have pushed this goal out to next year, due to supply chain complexities and lack of resourcing.
Develop and implement a process to verify all certifications within our supply chain.	A	- See previous target.
Review our Supplier Code of Conduct and ensure it aligns with industry best practice on management of water and chemicals.	А	<ul> <li>We have developed a separate Environmental Policy which outlines our standards and requirements in terms of water and chemical use. We have sent this to all Tier 1 suppliers for signing.</li> </ul>





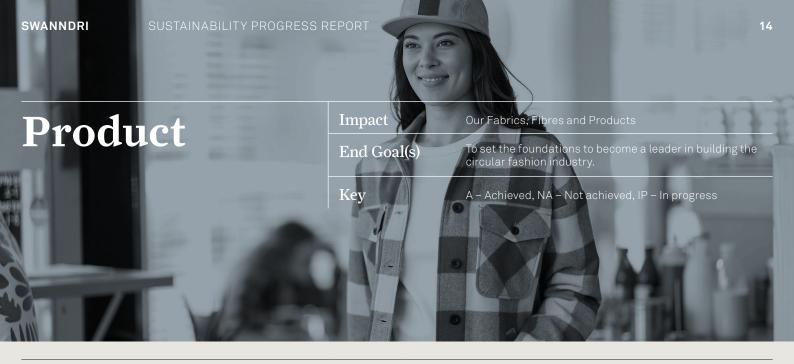
2023 Targets	Status	Notes  - We have engaged with Go Well to help us map our 2021-2022 emissions, and we have so far received our footprint, but are still working on a reduction plan.		
Map our operational emissions footprint and develop an emissions reduction plan to align us with global targets.	IP			
Set an emissions efficiency unit (e.g. per garment).	NA	<ul> <li>Due to delay in measuring our operational emissions, we have not yet set an emissions efficiency unit.</li> </ul>		
Determine what offsetting projects are best aligned to our business values.	NA	<ul> <li>We are investigating options, but have not yet decided on what offsets best align with our business.</li> </ul>		
Investigate offering customers the ability to offset the emissions related to their purchase at point of sale.	NA	- Yet to be commenced.		
Engage with our freight suppliers to understand their commitments to reduce their emissions.	NA	- Yet to be commenced.		
Actively prioritise freight suppliers who have a plan to reduce their emissions.	NA	- Yet to be commenced.		
Map our electricity footprint and set reduction targets for our Aotearoa New Zealand operations.	IP	- We have mapped our electricity footprint, but are yet to set reduction targets.		
Ensure all of our NZ-based sites use a renewable energy supplier.	A	– All sites use Meridian Energy.		





2023 Targets	Status	Notes		
Review our supply chain to identify material risks of air pollution.	NA	- Yet to be commenced.		
Establish an annual staff planting day.	A	<ul> <li>We worked with Trees for Canterbury in Ferrymead on 3 Fridays in September. A group of between 6 and 8 of us each time, went along at 9am until 1pm and helped them re pot native seedlings and take them out to the nursery. We planted a total of 800 trees!</li> <li>We now have agreement with them to repeat this assistance on an annual basis and we will also work to publicise the good work that they do and to support tree planting days in the wider community.</li> </ul>		





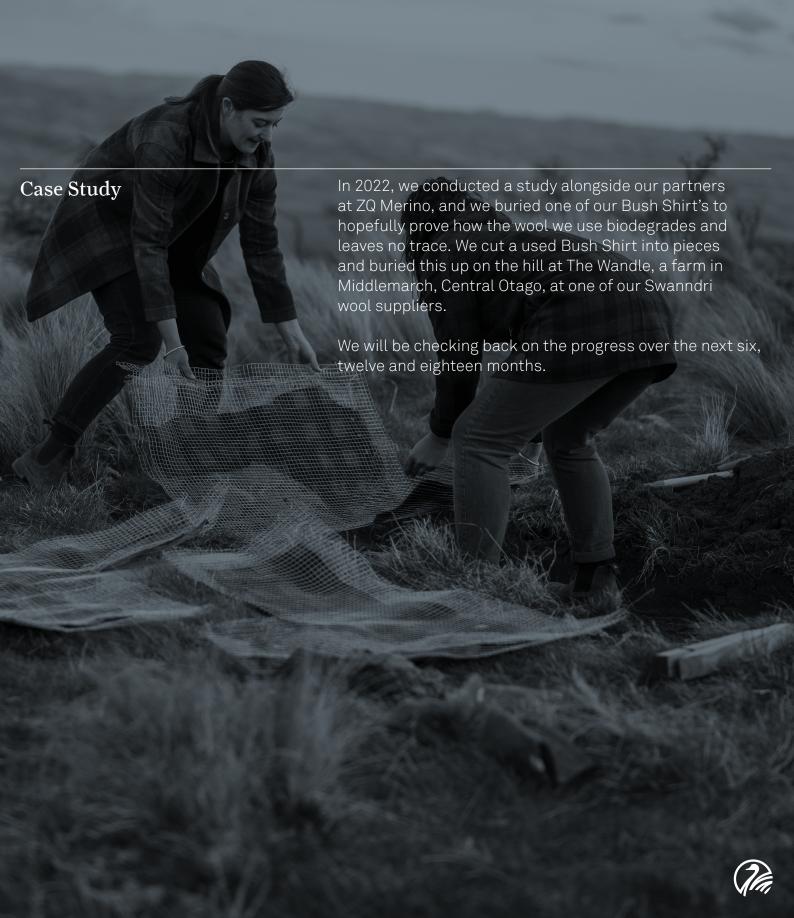
2023 Targets	Status	Notes			
Produce a fabric matrix to map the annual volumes of all fabrics and fibres we use.	A	<ul> <li>We completed a fabric matrix for 2022 and 2023, and discovered that over 59% of the materials we use is cotton, closely followed by wool.</li> </ul>			
Produce a fabric and fibre environmental impact guide to create a preferred materials list, and inform design and production decisions.	NA	- Yet to be commenced.			
Engage with our customers on the durability of our garments through our communication channels.	A	<ul> <li>We primarily use our social media channels for this type of communication along with blog content. We have also presented at industry seminars regarding this topic. We primarily use our social media channels for this type of communication along with blog content. We have also presented at industry seminars regarding this topic.</li> </ul>			
Investigate how to become an industry leading brand for product durability guarantees.	IP	- Underway with branding partner and website team.			
Ensure we have highly visible and accessible instructions on how to repair our garments.	IP	- Have created a list of repairs, now need videographer to make it come to life.			
Trial a repairs programme for Swanndri products	IP	- We have mapped the repairs process of our garments, and are now trialing how these would look like as part of a repair system.			
Ensure we have highly visible and accessible instructions on how best to care for our garments to extend their life and minimise the environmental impacts.	A	We relaunched our Care Guide online which gave more fabric specific guidance and tips on sustainability.			



2023 Targets	Status	Notes  - We will do the videos first and then look at the campaign.	
Run a campaign to engage, educate, and encourage our customers to extend the life of their garments through care and repair.	NA		
Investigate setting up a resale market for used Swanndri garments.	A	— We have looked into, but lack the resources to complete this year	
Update our returns documentation and review how we process returned product.	IP	- Is underway as part of our returns review.	
Investigate the end-of-life solutions customers have for our garments	A	<ul> <li>We are currently assessing how to operate in this market since it has limited end of life solutions.</li> </ul>	
in Australasia.		<ul> <li>We are currently doing a pilot on the biodegradability of our wool jackets (see case study)</li> </ul>	



## Biodegradability of Wool Jackets





2023 Targets	Status	Notes
Share this strategy with our stakeholders and update them annually with our progress.	IP	- All stakeholder presentations will be complete by November 2023.
Develop a communications strategy to succinctly and clearly communicate our sustainability vision and achievements.	А	- Developed a communications plan with Go Well to help inform our website and social comms.
Engage and develop a communications campaign with our wool suppliers.	A	<ul> <li>Conduct on an annual basis and is ongoing, and we work with NZ Merino to help us with different stories from our wool growers.</li> </ul>
Ensure our website and other communications platforms are informative, and clearly communicate our vision and strategy	IP	<ul> <li>Our sustainability landing pages have been developed and will be launched in early October 2023.</li> </ul>



### 2023 Snapshot

	Total Targets	Achieved	Not achieved	In progress
OUR WORKPLACE & PEOPLE	9	5	1	3
TRANSPARENT & ETHICAL SUPPLY CHAIN	8	3	1	4
COMMUNITY & CHARITABLE ENGAGEMENT	4	3	0	1
PACKAGING	10	4	3	3
WATER & CHEMICALS	3	2	1	0
GREENHOUSE GAS EMISSIONS, ENERGY, & AIR POLLUTION	10	2	6	2
OUR FABRICS, FIBRES & PRODUCTS	11	5	2	4
COMMUNICATION & TRANSPARENCY	5	3	0	2
	60	<b>27</b> (45%)	14 (23%)	19 (32%)



#### Key Learnings, Challenges, and Achievements

Below we have outlined our key learnings, challenges and achievements we have learnt over the past year on our sustainability journey.

Sustainability is now a part of everything we do and every decision we make here at Swanndri, and we feel proud of our achievements and the progress we have made to date. Completing this report has helped show us that we need to keep pushing forward with our actions, and ensure the whole team is on board.

Of our 60 targets in 2022, set over eight impact areas, 45% were achieved, 32% are in progress and 23% were not achieved.



## Key Learnings, Challenges, and Achievements

#### **Key Learnings & Challenges**

One of the biggest challenges we have found is the amount of time and resources that we have needed to commit in order to achieve some of our goals. As we don't have a dedicated sustainability person or team, the strategy actions have been added onto our existing team's workload, which has put pressure on them to prioritise adequately.

There have been many systems and processes that have needed to be updated, or put in place, to ensure we are managing and collecting the data we need, and it has been a challenge to change people's mindsets and ways of working to ensure these new processes have been followed, and keep them motivated towards meeting our goals. We need to ensure that our sustainability goals and deliverables are trickled down throughout the business, as many of our actions will require the whole business to be onboard.

We have learnt extensively about our business, and how we impact our community and supply chain. Looking into our supply chain, and considering the full lifecycle of our products has been eye opening, and has shined a light on some of the risks and gaps we didn't know existed. We now know how important the design stage is for our products, and how your decisions have a lasting impact. We have learnt to question ourselves and be more critical of every decision.

We have started to measure our emissions, which has been an eye opening experience, as it has required us to get very detailed, granular data that we didn't otherwise have. We look forward to reviewing this once complete and setting targets for reduction.

#### Achievements

Although this has been a new way of working for everyone in our business, we feel proud of the achievements we have made since establishing our goals for 2023.

Overall, the way we have embedded sustainability throughout the business has been the biggest achievement. We now consider it in everything we do, and our pillars are at the forefront of every decision we make. We have managed to improve workflows, data collection, processes and allocate responsibilities throughout the business.

Through our supply chain work, we are now benefitting from the increased transparency of our supply chain, and we are now building better relationships with the different tiers of our suppliers, and are working through any gaps or risks we have identified.

Being able to communicate our actions and achievements has been very rewarding, and seeing how our Swanndri community have embraced our efforts has been great!



