# B Sweaty Betty

OUR PLANET IMPACT REPORT

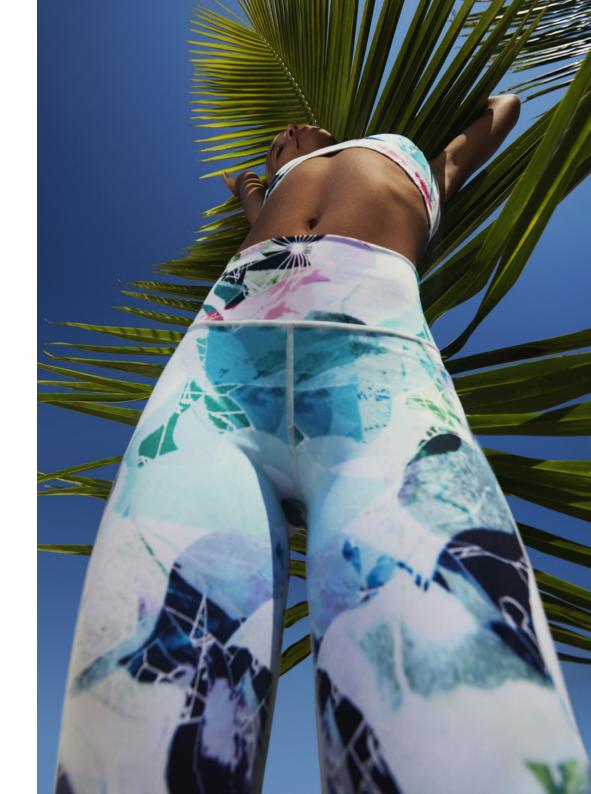
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# WE'RE SWEATY BETTY

A global activewear and lifestyle brand for women. We're also a community that believes fitness is a flip-the-switch trigger for becoming the woman you want to be. Leggings and sports bras won't change the world on their own. But with a grab-my-hand, let's-go-for-it-now spirit, the women who wear them can.

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#### A LETTER FROM OUR CEO

At Sweaty Betty, one of our core values is #WeReallyCare. Not just about our customers, or our teams, or about creating the best product, but about the impact we have on our planet too.

As a business that's driven by our values, we've worked hard to progress our sustainability goals. But to be honest, when we set out a few years ago to put a business-wide strategy in place, the task felt truly overwhelming. We had so many questions and so much to learn about where and how we could make a difference. Sure, there were resources available to help guide us, but translating guidelines into actions for our business was much harder than I expected. We struggled in our first attempts to drive meaningful, measurable change. But over time and thanks to the incredible passion and leadership from our entire team, I'm confident today we're taking clear, incremental steps that will make a positive impact on our planet, from reducing our carbon footprint to keeping our product out of landfill. And with our test and learn approach, we can keep trying new methods and learning as we go.

We may only be at the start of our sustainability journey, but I'm proud of what we've achieved so far. This report is our way of holding ourselves accountable. We've laid out our progress, our targets and our plans for the future. And we want you to hold us to them! Because we're committed to finding new ways to do things better, and we know we can't do it alone.



JULIA STRAUS, CEO



### OUR PLANET

We know that a sustainable future is the only future. And we're on a journey to help create it. For our community. For our people. And for our planet.

Want to know how we're getting on? That's what this report is for.



#### OUR PEOPLE

We're committed to doing more and working harder to make the long-lasting changes needed to become an inclusive, diverse and actively anti-racist company.

Visit <u>our website</u> to find out how we're doing it.



### OUR FOUNDATION

The Sweaty Betty Foundation's mission is to empower women and girls from every background to get active, and stay active, for life.

Head to <u>our foundation</u> website to learn more.

#### OUR RAW MATERIALS

It all starts with our raw materials. In 2021, our products<sup>1</sup> made up 43%<sup>2</sup> of our total carbon footprint, so we're committed to using more sustainable options. And we're always pushing to do better. Like using postconsumer plastic bottles, recycled fishing nets and natural yarns to create clothes that care for your body, and for the planet.

Where we got to in 2021:

28%

OF OUR PRODUCTS CONTAIN SUSTAINABLE MATERIALS<sup>3</sup>

 Our products include both Sweaty Betty branded and third-party brands
2021 carbon footprint measurement calculated by the sustainability consultancy Avieco
Sustainable = recycled or responsibly sourced natural fibres. Based on January- December 2021 number of product options with at least 30% of its content made from sustainable materials



## RECYCLED MATERIALS

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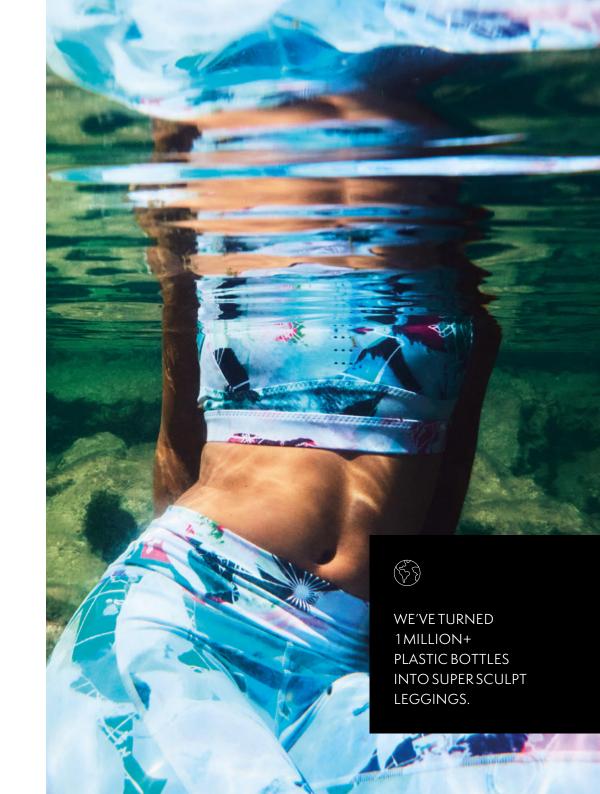
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We're really excited about using different recycled materials in our products, lowering their carbon footprint and helping to reduce textile waste at the same time.

#### **RECYCLED POLYESTER**

Polyester is the most widely used fibre in the world and makes up roughly half of the fibre market overall, according to Textile Exchange's 2019 Preferred Fiber & Materials Report. Virgin polyester is made from a non-renewable resource (oil) using an energy-intensive process, so we use recycled polyester wherever we can. Recycled polyester is mainly made using plastic bottles, packaging or textile waste as its raw material.

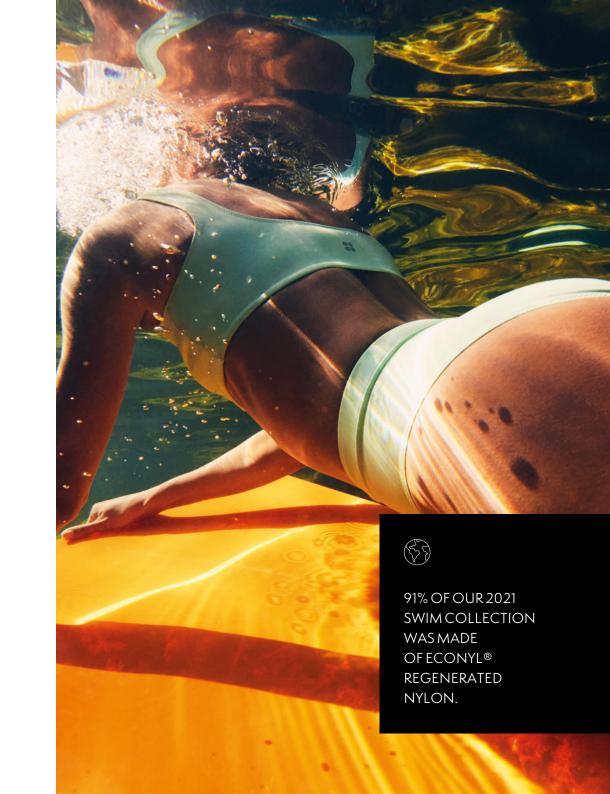
Our recycled Super Sculpt Leggings are made from 17 post-consumer plastic bottles saved from landfill. They're just as technical as the original (and maybe even softer!) so there's no compromise on quality, comfort or performance.



#### **RECYCLED NYLON**

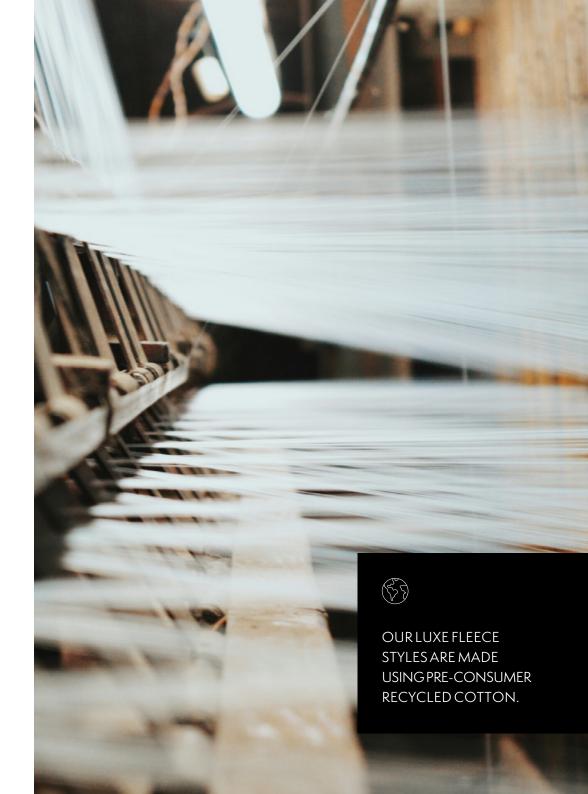
Recycled nylon is made by collecting industrial waste, cleaning it, melting it and turning it into nylon pellets that can be melted and extruded into new yarns. It has all the same benefits as recycled polyester too, diverting waste from landfill with a production process that uses far fewer resources too.

ECONYL® Regenerated Nylon yarn is a 100% recycled nylon that you'll find in our products. It's made from pre and post-consumer nylon waste like fishing nets, fabric scraps, carpet flooring and industrial plastic rescued from all over the world. Through a radical regeneration and purification process, the nylon waste is recycled right back to its original purity. That means ECONYL® regenerated nylon is exactly the same as fossil-based nylon.



#### RECYCLED COTTON

Recycled cotton, which is made from either preor post-consumer cotton waste, is an eco-friendly alternative to virgin cotton because it cuts down on textile waste and uses far fewer resources than conventional or organic cotton.



#### **RECYCLED DOWN**

Recycled down uses feathers recovered from sources like old blankets, pillows and cushions. It has all the same qualities as virgin down, and we only use recycled down that meets the Global Recycling Standard (GRS).



### RESPONSIBLY SOURCED, NATURAL MATERIALS

We also love to work with responsibly sourced natural fibres which use less water, fewer pesticides, and create less CO2 than their non-sustainable alternatives.

#### LENZING MODAL

Modal is a wood-based fibre made from beech tree pulp. Wood-based fibres can be damaging to the environment because they're sourced from trees and rely on chemicals to process the wood chip into a textile yarn. That's why we source our modal yarn from Lenzing<sup>4</sup>, one of the leaders in producing ecologically responsible wood-based yarns.

The Lenzing Group combines expertise in operating pulp and biorefinery processes with decades of experience in the major fibre technologies like viscose, modal and lyocell. One of their core values is 'use all, spoil none', which means they use every part of the tree to make valuable products, so nothing goes to waste.



#### ORGANIC COTTON

Organic cotton is grown without chemical pesticides or harmful fertilisers. Our organic cotton is OCS (Organic Content Standard) certified. The OCS is an international, voluntary standard that sets requirements for third-party certified organic input and chain of custody.



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#### YAK WOOL

Yak<sup>5</sup> wool is warmer than sheep's wool and more breathable than cashmere. But what makes it more sustainable? Yaks have efficient digestive systems and give off less greenhouse gases like methane, carbon dioxide and nitrous oxide, making them a low carbon emission animal. The way they graze by gently pulling up roots and their diet of grass and shrubby vegetation also aligns with grassland conservation efforts. The wool is combed from the yak during the spring, so there's no discomfort to the animal.

Our Elevate Wool Jumpers were made from our mountain wool blend, which is 70% extra fine Merino wool and 30% yak wool. All the yak fibre sourced in this yarn is from Shokay<sup>5</sup>, a social enterprise that has built a transparent supply chain ensuring the highest quality of animal husbandry.

OUR MOUNTAIN WOOL BLEND USES YAK WOOL SOURCED FROM A SOCIAL ENTERPRISE WITH A TRANSPARENT SUPPLY CHAIN.

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### RAW MATERIALS: INNOVATION AND TRANSPARENCY

This is the start, but certainly not the end. Through 2022 we'll continue refining our product sustainability strategy to make sure we're progressing in the most meaningful and material areas of our business. As our journey continues, we'll keep being 100% transparent about all our fabric compositions so you can make informed choices when you shop with us.

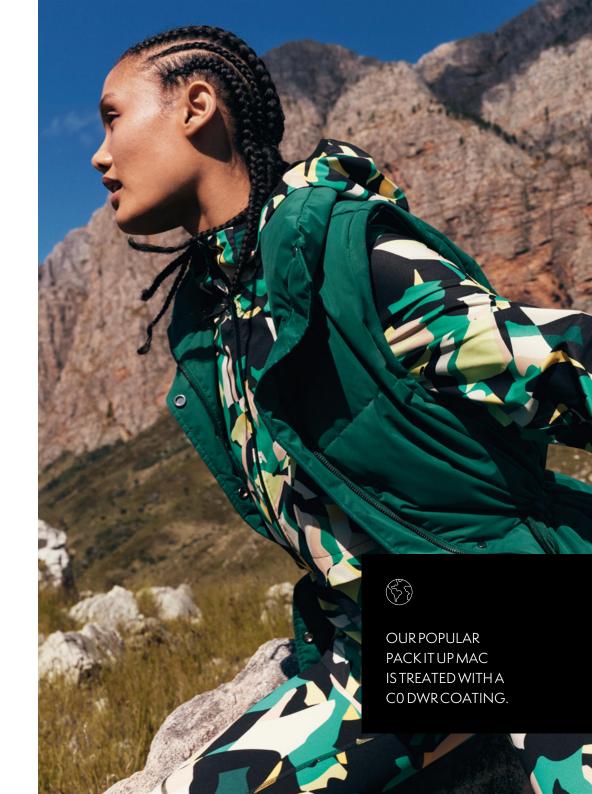
### OUR WATER AND CHEMICALS

Textile manufacturing uses water at various stages of the process. Our aim is to find water-efficient solutions across our whole supply chain, making sure no harmful chemicals get into the environment. Our 2021 example on the next page illustrates one area of improvement, but we plan to continue to improve our chemicals management across all our products.

#### DWR TECHNOLOGY

Durable water repellent (DWR) technology is a polymer coating added to outerwear to provide waterrepellent properties. It works by causing water to roll off the surface rather than soaking into the fabric. It's great technology, but DWR finishes found in waterproof clothing are usually made using fluorocarbon chemicals that don't break down in the environment and end up in rivers and the ocean.

We use alternative fluorocarbon-free DWR finishes (C0 DWR) wherever we can, providing the same water-resistance without the impact on our waterways.



# OUR WASTE

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How we look at waste starts with the 3 Rs: Reduce. Reuse. Recycle.

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#### REDUCE

As a brand, we're committed to reducing plastic waste in every aspect of the business. We're working with our suppliers and our warehouse to remove single-use plastic, transitioning to responsibly sourced natural materials or recycled plastic alternatives.

We know packaging makes up a huge part of the waste we produce. That's why we've switched all our garment bags to packaging made from 100% recycled and recyclable plastic. We'd love to have no packaging at all, but we recognise the need to balance protecting our products during shipment with choosing a more sustainable option. This is a big step we've taken towards eliminating all single-use plastic throughout the business, but we'll keep searching for non-plastic alternatives too.

Our garment swing tickets and kimbles are also made from recycled materials, and our visual merchandising uses 100% recycled card in our stores.

In 2021, our E-commerce packaging was made from at least 40% recycled plastic, but we don't want to stop there. Our next step will include switching all our E-commerce packaging to FSC certified paper. Good news: I'm made from 100% pre and post-consumer waste.

So please  $\bigcirc$  recycle me for my next adventure.

SINCE 2019, WE'VE KEPT 30,000+ GARMENTS OUT OF LANDFILL THROUGH OUR IN-STORE RECYCLING PROGRAMMES.

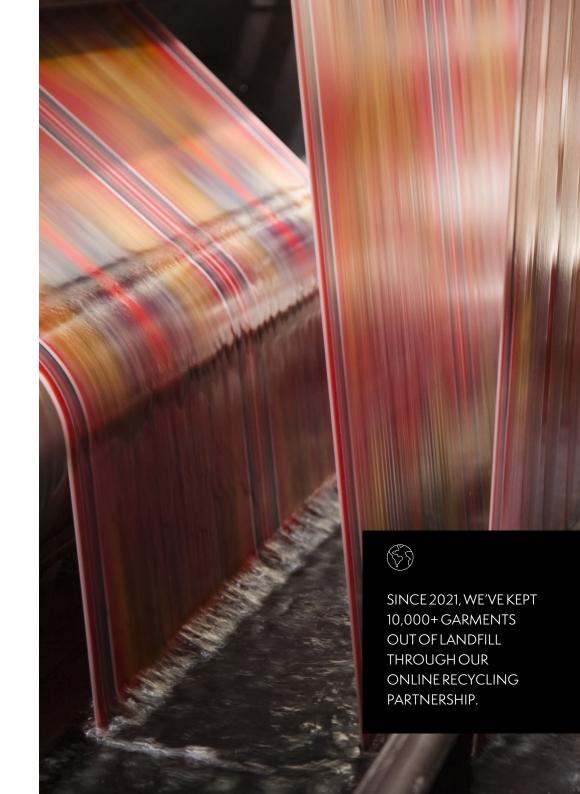
#### REUSE AND RECYCLE

Globally, an estimated 92 million tonnes of clothing end up in landfill every year. Experts estimate that 95% of these textiles could be reused or recycled<sup>6</sup>.

We produce high quality items that are designed to last, but we also believe that our clothes should live on long after our customers have finished with them. That's why we've been operating recycling schemes in our UK, Hong Kong and Singapore stores, and in our head office since 2019. And why we've now launched our innovative online takeback partnership with Reskinned.

This partnership allows our customers across the UK to send their pre-loved pieces to be revived, rehomed, or fully recycled. To say thanks for supporting us on our mission, they get a voucher of up to £40 for every donation too.

6. Global Fashion Agenda and The Boston Consulting Group, Inc. (2017), Pulse of the Fashion Industry



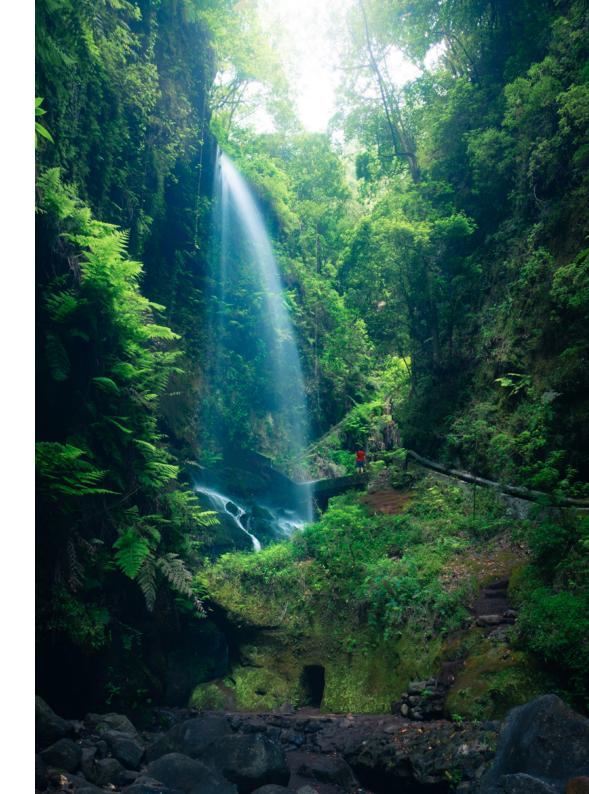
### OUR CARBON FOOTPRINT

Climate change is impacting the world around us. According to the World Bank, the fashion industry is estimated to account for up to 10% of the global carbon emissions, which is more than all international flights and maritime shipping combined.

#### GREENHOUSE GAS EMISSIONS

As a global fashion brand, we want to be part of the solution, not the problem. A big part of this challenge involves understanding our carbon footprint across the entire value chain; from raw materials and production, to transport and shipping, all the way through to retail and business operations. By measuring and understanding our carbon footprint, we're collectively able to set meaningful targets. With that in mind, we've set science-based targets in line with the goals of the Paris Climate Agreement. We want to follow best practice in tackling climate change, and by committing to targets that are science-based and backed by the UN, we believe we're taking a huge step in the right direction.

Greenhouse gas emissions are categorised into three scopes by the most widely used international carbon accounting tool, the Greenhouse Gas (GHG) Protocol.



SWEATY BETTY FOOTPRINT	2020 (†CO2 <sup>7</sup> )	2021(tCO2)
SCOPE1	1	1
Natural Gas	0.7	0.7

SCOPE 2	370	229
Purchased Electricity (market -based)	370	229

SCOPE 3	20,553	26,390
Our Products	8,364	11,356
Transportation & Distribution	9,204	11,302
Other <sup>8</sup>	2,985	3,733

TOTAL GHG EMISSIONS	20,923	26,619

#### GREEN HOUSE GAS EMISSION CATEGORIES

#### SCOPE1

Covers direct emissions from our owned or controlled sources.

#### SCOPE 2

Covers emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company.

#### SCOPE 3

Includes all other indirect emissions that occur in a company's value chain, such as purchased goods and services and business travel. Over the last two years, we've taken important steps to reduce our scope 1 and scope 2 emissions.

Our owned and operated UK stores and our UK head office now run on 100% renewable electricity, and we've rolled out LED lighting across our UK stores to significantly reduce our electricity consumption. Our scope 1 and scope 2 market-based emissions have decreased by 38% from 2020 to 2021. And we're happy to announce we're now offsetting these emissions with the brilliant UK environmental charity Trees for Cities too.

Our carbon reduction targets, which have been verified by the Science Based Targets Initiative (SBTi), are:

- A 42% absolute reduction of greenhouse gas emissions in all the facilities we own and operate in by 2030 (against a 2020 baseline year)
- A reduction in scope 3 emissions from purchased goods and services, and upstream transportation and distribution arising from Sweaty Betty branded products 52% per unit value added by 2030 (against a 2020 baseline year)



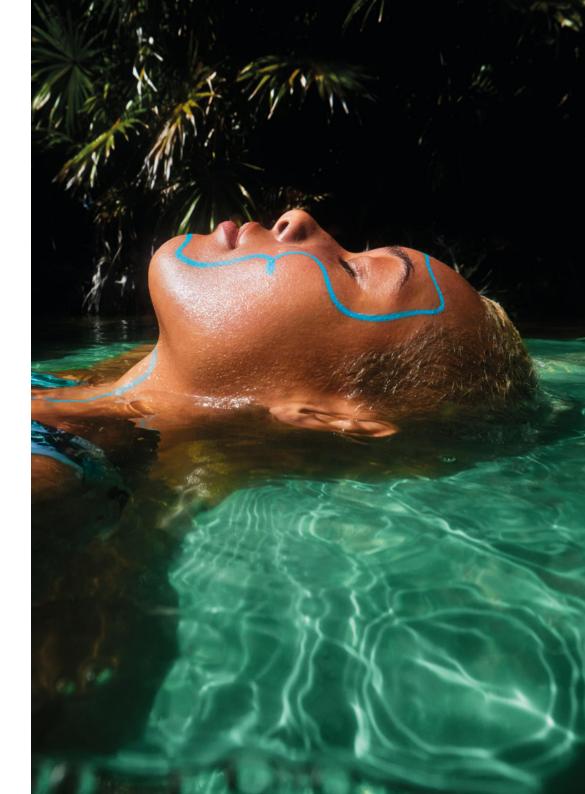


We partner with all our suppliers to meet the ethical, social and environmental criteria outlined in our 'Supply Chain Code of Conduct'. Before onboarding a new garment supplier, we conduct a thorough evaluation of their business operations through site visits and third-party auditing, and all factories that produce goods for us are required to accept thirdparty audits every 12 months as a minimum. We also accept accredited audit reports conducted for other retailers. By doing this, we can not only learn from what our suppliers do well but spot any violations of our Code of Conduct.

Where violations of our Code of Conduct are found, a corrective action plan (CAP) will be agreed between the factory and the auditing body. We'll always support, educate and work closely with suppliers who strive for continuous improvement, but we'll cease to conduct business with any supplier who's not prepared to operate in accordance with our Code of Conduct. We believe in having meaningful, positive relationships with our suppliers and bringing them along on our sustainability journey. We know we're not the only fashion brand doing this, and as an industry, we can work together to bring about positive change. Our suppliers receive information on our key sustainability focus areas that goes beyond minimum compliance. In 2021, through our bespoke supply chain sustainability questionnaire, we measured our impact across the following areas: carbon, water, supply chain ownership and equitable workplaces. As well as our questionnaires, we stay in regular contact with our suppliers to help them identify improvement areas and keep on top of the latest sustainability developments.

WE BELIEVE IN HAVING MEANINGFUL, POSITIVE RELATIONSHIPS WITH OUR SUPPLIERS AND BRINGING THEM ALONG ON OUR SUSTAINABILITY JOURNEY. To mark Earth Day, we've focused this report on our most material environmental impact areas. But, as a global brand, we know our responsibility extends way beyond our garments. This includes finding more sustainable ways of working, having a positive impact on our communities, and bringing our customers along on this journey with us.

If you have any questions or any feedback on this report, please drop us a line at sustainability@sweatybetty.com.



CARING ABOUT THE ENVIRONMENT. IT'S IN OUR NATURE.