



Our Ethics
REPORT 2009

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Position: Director

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BACKGROUND

Seasalt is an innovative, successful family business based in Cornwall, retailing fashionable lifestyle clothing and footwear. The business, which originally sold work wear and army surplus clothing, was founded in 1981 by Don Chadwick and is now equally owned and co-led by his three sons David, Neil and Leigh. Over the last five years the business (which formerly traded as Wildlife) has enjoyed rapid growth and it now operates 11 stores - in Penzance, Falmouth, St.Ives, Truro, Padstow, Fowey, Totnes, Guernsey, Salcombe and the Isles of Scilly – plus an online shop, www.seasaltcornwall.co.uk.

The business also designs and produces its own brand of clothing which is sold in its own stores and across 250 wholesale accounts in the UK, Eire and France.

Seasalt is now the largest producer of Soil Association certified organic clothing in the UK.

The company employs over 100 people and it has won a number of awards including the Yell UK Best Family Business Award, the Cornwall Sustainability Award for Best Environmental Initiative and the Cornwall Business Award for Innovation, Cornwall Entrepreneur of the Year, Finalist in The Natural and Organic Awards 2009 - for 'Best Organic Textile Product' and shortlisted in The Observer Ethical Awards Best Online Retailer 2009.



OUR ETHICS

We believe that small things make a big difference. What is the point of running a company that trashes the environment and doesn't look after other people? OK there is the money factor, but that's not enough!

There's a few things that Seasalt feel are more important than money, and our business philosophies, which are an expression of our family and business values, include:

- **Reducing the impact of our business on the environment**
- **Choosing the right suppliers**
- **Thinking about others and being socially responsible**

We have developed policies for each of these areas and these are reproduced at the end of this report for your information. They can also be viewed at our website (on Our Ethics page), www.seasaltcornwall.co.uk.

THE ENVIRONMENT



- **We recognise that our activities have some adverse impacts on the environment.** For example, from:
 - the use of pesticides in the production of the clothing we sell;
 - waste generation;
 - resource use involved in packaging;
 - greenhouse gas emissions from transport;
 - energy use in our stores; and
 - the use of non-renewable resources.
- We are committed to reducing our adverse environmental impacts and we are doing a number of things in this respect...

Example 1: Organic cotton

Our purchases of clothing and footwear account for over 75% of our total costs before wages. This compares with, for example, 1.5% spent on transport and less than 0.5% on energy.

In 2003, we decided we should design and produce our own clothing, which meant establishing a supply chain and developing our own brand, Seasalt.

We are aware that the fashion industry is heavily reliant on chemicals. For example, in the case of cotton:

- Cotton farming uses one quarter of the world's pesticides, many of which are highly toxic to humans and wildlife. Other processes used to make clothes and textiles, such as dyeing, also use damaging chemicals.
- Over 8000 chemicals can be used to turn cotton into a t-shirt.
- Around 150 grams of pesticides and fertiliser are used to grow the cotton for one t-shirt – the equivalent of one cup of sugar.
- Many of these chemicals are found as residues in the finished product. Some of them may affect the health of consumers, and are suspected to cause allergies, eczema and even cancers.
- 20,000 deaths occur in developing countries each year from poisoning by agricultural pesticides used on crops, of which many, due to their relative toxicity, can be attributed to cotton.
- In some areas, the cost of chemicals is now reaching 60% of farmer's production costs, often causing intolerable indebtedness for millions of poor farmers.
- The environmental impact of GM cotton, now grown commercially in many countries, is controversial and hotly contested.

Source: PAN-UK

It is really important to us that all our clothing has a positive effect on whoever is involved; the growers, the factory workers and ultimately the customers.

The decision was therefore made to use organic cotton whenever possible for our cotton garments, and in 2005 Seasalt became the first fashion brand in the UK to have clothing certified by the **Soil Association**, the UK's leading organic campaigning and certification organisation.



Since then we have sold over 450,000 pieces of Seasalt and we are now the UK's biggest producer of Soil Association clothing. "Seasalt can be considered true organic textile pioneers" Lee Holdstock, Soil Association 2009

In our summer 2009 collection 88% of our clothing is organic, of which 61% is Soil Association certified. Seasalt own brand now accounts for 50% of sales in our shops and by extending our range and the textiles we use, we expect this to grow to 60% by 2011.

Unfortunately, we are not always able to use eco-friendly textiles but whenever we can we do, and if we can't, we make sure all our customers know exactly what they are buying. Ultimately, we want to make organic clothing as popular as organic food!



Example 2: Packaging

In 2009 the 190,000 bags we give to customers will be FSC (Forestry Stewardship Council) certified carrier bags.

In 2009 we will produce 70,000 jute shoppers, offering customers reusable, biodegradable bags; part of our commitment to encourage an alternative to plastic.

Example 5: Packaging received from suppliers

Cardboard and plastic packaging sent to us by our suppliers is collected by a licensed carrier and recycled. In the past three years we have collected over ten tonnes of plastic which is recycled into covering for warming Cornish potatoes!

Example 3: Store restoration and fit out

We've also taken great care in the way we restore and fit out our stores. In 2003, this was recognized by Restormel Borough Council with a design, conservation and environmental award for the regeneration of our Fowey shop.

Messaging in our stores helps to raise customer awareness about our products and the environmentally friendly fabrics we use. Some of our shop canvases can be seen below.

Example 6: Fair Trade from winter 2009

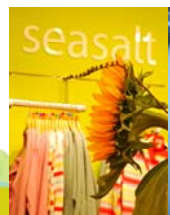
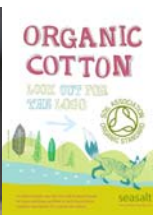
The FAIRTRADE Mark is a registered certification label for products sourced from Third World producers. Because our main supply chain is in Turkey, these Seasalt products do not comply for the Mark. However, as our supply base grows, in winter 2009 we are committed to adding new Fair Trade certified product to our shops.

Example 4: Energy

We pay a green energy tariff for the electricity we use in our business

Example 7: New Product Developments

Since Seasalt started we have been developing other eco-friendly product areas. We have introduced bamboo, hemp and recycled fleece into the range and are currently developing ways to make our outerwear more friendly. By 2011 we hope to have introduced our first eco-drille - like espadrilles but made with environmentally friendly materials.





CHOOSING THE RIGHT SUPPLIERS

As well as the adverse impacts of our business on the environment, we also recognize that because of the globalization of trade, **the goods and services we buy are at risk of being produced by people who may be abused and exploited.**

With this in mind, we are working with our suppliers to implement ethical purchasing policies which promote good environmental and labour standards and which also encourage our suppliers to be socially responsible and support their local communities

We have developed a **Supplier Manual** and we issue a copy of this to all of our suppliers and ask them to:

- Sign a Statement of Commitment to ethical trading.
- Produce and manufacture Seasalt branded products in compliance with the labour (ETI) and environmental standards stated in the manual.
- Where organic or fair trade certification is specified by us as a condition of supply, follow the relevant certification organisation's rules and guidelines.
- Where certification is not specified by us as a condition of supply, use eco-friendly and/or fair trade and/or recycled materials wherever practicable.
- Support their local communities and be socially responsible.
- Join Sedex and report progress on ethical practice annually.
- Provide third party evidence of any environmental, labour and / or social responsibility audits.
- Provide a copy of our Manual to all of their factories and ask them to join Sedex.
- Allow Seasalt to visit the production sites and farms where our products are made.



THINKING ABOUT OTHERS AND BEING SOCIALLY RESPONSIBLE

Our activities have a direct impact upon the well being of our employees, customers, suppliers and the wider community in Cornwall & Devon. Also, through our wholesaling and purchasing practices, our activities impact on communities nationally and globally.



With this in mind, Seasalt are endeavouring to make a positive impact upon our society and we are doing a number of things in this respect...

Example 8: Investors in People

In 2005 Seasalt became Investors in People accredited.



INVESTOR IN PEOPLE

Example 9: The Scillywaste Project

In March 2007 we purchased 6 large recycling bins for the Isles of Scilly.

This was part of the ScillyWaste Project. Prior to the project waste was incinerated or landfilled.

For the past three years we have sponsored boarding cards on the Isles of Scilly helicopter. All boarding cards on the Penzance to St Mary's route carry an environmental message, helping visitors to have a greener holiday. This too was part of the ScillyWaste Project.



Example 10: Falmouth School ID Cards

We've made a cash donation to Falmouth School to purchase ID cards for all visitors. Our sponsorship has enabled the school, in part, to purchase security software, card printer and cards. Without the support of Seasalt, the school would have found it very difficult to introduce the scheme.



Example 11: Christmas Raffle

Since 2006 we have raised £5473 in our annual Christmas raffles, raising money for Marie Curie Cancer Care with the first prize being a £500 gift voucher for our stores.



Example 12: Cornish Pilot Gig Rowing

Gig rowing has a legacy reaching back over 200 years. Seasalt is passionate about the traditional values of the sport and keeping such heritage alive. It is an aspect of our community we are proud to sponsor. We have supported clubs throughout Cornwall, Devon, Guernsey, Bristol and Wales with hundreds of giveaways and actively work to raise awareness.



Example 13: Charity Windows

In 2008 we introduced a new Charity Window Project, whereby we dedicate window displays throughout our stores to a charity campaign. In October 2008 our Go Knit! window involved people all over the UK knitting scarves to raise money for The Cinnamon Trust. The scarves sold throughout our shop windows raising £2898 for the charity; we will be repeating the project with a new charity for 2009.



Example 14: Event Sponsorship

In 2008 we raised £1325 for the Tall Ships Fund through the sale of official event merchandise.



THE BENEFITS OF BEING ETHICAL

We believe we have a moral duty to conduct our business responsibly and to do the right thing.

However, we believe there are some very real business benefits too:

- Our customers are demanding ethical brands and products
- Ethical trading is a source of market differentiation
- Positive publicity and media coverage increases sales
- We have better relations with our suppliers as a result of working closer together
- We all feel good about it and proud of the way we are...

RECOGNITION

Seasalt's commitment to being an ethical business has been recognised by a number of awards:

In 2005:

- Seasalt became the first fashion brand in the UK to have clothing certified to Soil Association standards.
- We won the Cornwall Sustainability Award for Best Environmental initiative.



Soil Association

In 2006:

- Our business was accredited as an Ethical Trading Company by the Ethical Company Organisation, an independent body which benchmarks the ethical credentials of businesses and publishes The Good Shopping Guide.
- We were named by Yell as the UK's Best Family Business. Community involvement was one of the five key criteria upon which we were judged.
- We won the Cornwall Business Award for Innovation.
- We won the Cornwall Entrepreneur of The Year 2006.



In 2007:

- Accreditation from Ethical Company Organisation 2008 - ranked equal first fashion company for ethical standards in the UK.
- The ICAEW South West Regional Award for Best Accountant for Sustainable Business 2007



In 2008:

- Accreditation from Ethical Company Organisation 2008 - ranked equal first fashion company for ethical standards in the UK.

In 2009:

- Finalist in The Natural and Organic Awards 2009 - for 'Best Organic Textile Product' in association with The Soil Association.
- Shortlisted in The Observer Ethical Awards for 'Best Online Retailer'. Winner announced June 3rd 2009.

