Celtic & CO

SUSTAINABILITY REPORT 2022

NATURAL SUSTAINABLE STYLE



ABOUT CELTIC & CO.

A sense of environmental and social responsibility has been woven into the DNA of Celtic & Co. since we began crafting sheepskin products over 30 years ago. Inspiring everything from manufacturing to our relationship with our employees, our slow and considered approach has driven our enduring commitment to pioneering and improving at every opportunity. At its core, our mission is striving for a better fashion future. We have been front runners of the slow fashion movement since 1990, crafting products which are designed to last a lifetime.

We aim to encourage consumers to reduce mass consumption and waste through buying quality over quantity, and to repair items rather than replace.

A MESSAGE FROM ZOE BRAY, OUR MANAGING DIRECTOR

Welcome to our first Celtic & Co. Sustainability Report. As a business with sustainability at its heart, our team has always worked hard to ensure our operations make as little impact on the planet as possible. With the continued climate crisis at the forefront of our minds, we felt now is the right time to begin reporting on our commitments to making improvements both within our business, and in the wider fashion community.

Thank you to our Sustainability Working Group for leading the way on our new initiatives - we have made great progress over the last couple of years.

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OUR SUSTAINABILITY STRATEGY

At Celtic & Co. our purpose is focused on creating enduring, contemporary pieces using only the finest natural fibres.

Passionate supporters of British manufacturing, many of our products are made within Great Britain. Not only does this help us build great relationships with our suppliers, but it's one of 16 key circular principles in which we have carefully built our business model around. Created to support a circular and sustainable fashion industry, other key principles include

providing services to support long life, which we do with our repair and resole service, and designing for longevity, which shines through in every double stitched seam, durable sole and premium fabric choice.

One of our biggest aims is to reduce the amount of fashion going to landfill. Read on to find out more about how we achieve this, while supporting our local community, and promoting the natural benefits of one of our champion materials - wool.

HOW WE MANAGE SUSTAINABILITY

We have a sustainability working group which has a representative from every department around the business who can provide updates on how their

teams are delivering on their targets, and come together to help decide the important next steps we should take to achieve our sustainability goals.

OUR SUSTAINABILITY STRATEGY IS BROKEN DOWN INTO THREE KEY PILLARS:

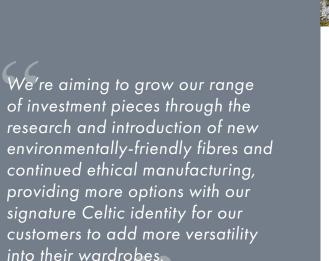




COMMUNITY

OUR TOP THREE SUSTAINABILITY GOALS FOR THIS YEAR:

- 1. To improve the sustainability of 10 specifically selected products from our core range.
- 2. To accurately measure our outputs to be able to set realistic targets for the future.
- 3. To increase our charity donation commitment to at least £10,000 per year.



Katy Burnett Head of Product & Buying.



PRODUCT

We're proud champions of British manufacturing and we know traceability is important to our customers, which is why we have embarked on a significant project to trace all our products back to the origin of their raw material in a bid to be as transparent as possible. We have made great progress on this for our core products, and will be a high priority for new products that are introduced to our range.

We review our supplier's performance through certifications such as GRS (Global Recycled Standard) and GOTS (Global Organic Textile Standard) to ensure the finest quality, ethically made materials. We've developed close relationships with our production partners to promote a sustainable model for creating an ethical, transparent and environmentally-friendly production process. We support social and ethical approaches, protecting people along the production chain with emphasis on fair wages, women empowerment, and child protection education and training.

Through both the traceability project and continued review of suppliers, we will be able to identify areas where improvement can be made to our production and supply chain.

WE BELIEVE IN CIRCULAR FASHION

Hand-in hand with our commitment to designing for longevity is our use of biodegradable and recyclable materials. The pieces we design are thoughtfully crafted from yarns and fibres that are kind to people and the planet - they don't pollute our environment by shedding microfibres and releasing plastic into our water.

Never synthetic, our knitwear is fully compostable. The fibres will biodegrade, break down and give nutrients back to the soil. In turn, they feed the plants and animals and allow the cycle to begin again. We believe in the value of giving back to the environment with everything we create.

We work with only natural materials because of their sustainable, renewable, and sumptuous qualities. It also means we can help our farmers reduce waste. All of our sheepskins are a by-product of the food industry and would otherwise go to waste, incinerated at very high temperatures.

An important part of our commitment to designing products that last is repair. We create all of our products to the highest standards, but well-loved clothes can show signs of wear, and we believe in repairing rather than throwing away. Our unique repair and resole service helps reduce waste and extend the life of our sheepskin boots.

THRIFT+

In 2022 we formed a partnership with Thrift+ to provide our customers with an avenue to give their unwanted clothes a new lease of life, instead of sending them to landfill. The initiative gives our customers the opportunity to raise money for charity, spend credits on secondhand clothing, or exchange for vouchers to use with us.

Thrift+ recently achieved B Corp status, and we're looking forward to seeing how our partnership grows in the future.

SAMPLE SALES

As a way of reducing our waste, we hold customer sample sales twice a year to ensure anything that hasn't been selected for our range doesn't end up in landfill. They are extremely popular with our customers, as it often means they receive something unique.

In 2022 we introduced staff sample sales as well, which included items in need of repair that could be taken home and fixed by our handy workforce.





MANUFACTURING IN CORNWALL

Part of our local sourcing policy is to retain as much of the manufacturing part of the business within our own factory in Newquay, Cornwall. Our heritage and expertise is in crafting sheepskin, and we've been making our sheepskin slippers, boots, and accessories in Cornwall for over 30 years.

SUPPORTING CHANGE IN THE INDUSTRY

We are supporters of Make It British, which boosts the awareness of local manufacturing, and are also UK Fashion & Textile (UKFT) members, which provides and promotes innovation, research and development, sustainability, support and training within the fashion and textiles industry. On top of this we annually support Fashion Revolution week, a campaign that brings together people from the world of fashion to encourage change in the industry for people and the planet. We also support Campaign for Wool, an initiative which promotes the benefits of wool worldwide, including getting involved in Wool Month activities every October.



PRODUCT'S SUSTAINABILITY GOAL:

The year the product team aims to improve the sustainability of 10 specifically selected products from our core range.



ENVIRONMENT

REDUCING WASTE

Our approach at every step of the production and supply process has sustainability at the heart of it. We don't follow high fashion – we create high quality items designed to last and endure changes in fashion. Our sheepskin outerwear are timeless pieces that are likely passed down generations. Ultimately, we believe that our business model is sector-leading in sustainability performance as it promotes and supports the one thing that can truly make fashion a more sustainable industry – encouraging consumers to keep clothing in use for longer. Within our operations area of the business we set specific targets for areas such as waste reduction, recycling and re-use of resources. An example of this includes replacing all plastic packaging with cardboard alternatives, which was initiated from October 2018. Goods that arrive to us in plastic now have it removed at despatch and then reused within the business for production and returns processing. Since we started this initiative we have avoided the dispatch of 766,000 pieces of single use plastic. We are committed to the best and most sustainable way of working, and are always looking to find innovative ways of making our processes even more efficient.

Paul Skidmore, Warehouse Manager.





ENVIRONMENTAL SUSTAINABILITY GOAL:

To accurately measure our outputs to be able to set realistic targets for the future. Last autumn we trialled the use of handheld devices in the warehouse to reduce paper usage by 10,710 sheets of paper for put away tasks. Around 70,000 pieces of paper are used annually in the warehouse, and the move to automation should also provide benefits to efficiency and accuracy. We will review the effectiveness of this automation at the end of the season to see if we can roll this out throughout all warehouse tasks.

Waste collections also continue to reduce due to finding new end uses for our sheepskin waste. In fact, through the combination of having less waste to dispose of and also investment in a granulator to compact the waste we do create, collections have dropped 50% in a year at our factory, with only one collection per week instead of two.

MANUFACTURING DEVELOPMENTS

We're actively looking into the way that we deal with the waste material leftover from manufacturing our sheepskin boots and slippers. We are investigating different uses for recycled rubber, and how it can be broken down to become more manageable for the end-user. As well as this we are working on a project to strip the wool away from the skins so that offcuts of material can be made into other products.

COMMUNITY

CHARITY

Our charity strategy has allowed our staff to choose which charity we support each year. For 2022 Little Harbour Hospice was selected, and we have set a target to raise £10,000 for them before we decide on the next organisation. Our team are very enthusiastic at raising money through bake sales and sample sales, as well as taking part in a novice gig rowing competition, and coming up with special promotions with a percentage of money being donated to charity.

As well as our main charity, we also occasionally support smaller local organisations such as school raffles and organisations that protect the environment around our coastline. We are also part of the Surfers Against Sewage Ocean Network, supporting the charity's ongoing work to look after our oceans. Being based in Cornwall, we feel this is very important to support as our seas are a very important part of our eco-system, as well as impacting the lifestyles of our team.

VOLUNTEERING

Our team have always been active in taking part in local beach cleans around Newquay. Throughout the summer we organise monthly meet ups to get involved together. We have now purchased our own equipment to be able to carry out beach cleans on a more regular basis.

Our senior leadership team is currently reviewing opportunities to include more volunteering days as part of our workplace benefits programme.

CAR SHARING

Where possible, we encourage staff members to car share with other colleagues living nearby or on their journey to work. There is a WhatsApp group set up for employees who are interested in taking part in car sharing to facilitate communication and opportunities. This not only cuts carbon emissions through less cars on the road, but also has financial benefits for our staff.





AWARDS

Over the years we have won several awards in many different categories, from international trade to manufacturing and sustainability.

One of our proudest moments as a business was when we were awarded the Queen's Award for Enterprise in International Trade in 2018 and 2020 – the highest official award for British businesses. We were also recognised for our international trade efforts at the Cornwall Business Awards in 2017.





We were awarded a prestigious Drapers Footwear Award in 2019 – being named International Footwear Business of the Year recognising the quality of our Cornish manufactured sheepskin boots and slippers.

We've also been recognised in the South West by multiple family business awards, as well as being recognised for our outstanding customer services. And finally for our sustainability efforts, we were highly commended for the Great British Brands Sustainability Awards in 2021, putting us alongside some other impressive brands such as Rolls-Royce and Vivienne Westwood.





COMMUNITY GOAL:

To increase our charity fundraising total to at least £10,000 a year.



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PRODUCT

COMMUNITY

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ENVIRONMENT

We are now able to accurately measure and monitor our gas, water, and electric supplies and work to reduce these in the future.

COMMUNITY

So far we have fallen short of our goal to fundraise at least £10,000 for charity a year. Our current total stands at £5,931, 40% below target.

2023 ACHIEVEMENT UPDATE

PRODUCT

We wanted to improve the sustainability of 10 of our core product range, we have achieved a 90% success rate by removing PFC's from our wax finishes and switching to more sustainable cotton suppliers.