

Live Beautiful

Delivering sustainability

It is now three years since we launched our Live Beautiful framework in April 2021. We have made great strides in all of the three pillars of People, Product and Planet. These are at the heart of our overall business strategy and continue to drive our focus on far more than our social responsibility. Our original medium-term plan was focused on the three-year horizon, so we now have an opportunity to review our progress and realign for the next three years.

At the core of our Live Beautiful strategy remains our desire to ensure we preserve our heritage and craftsmanship for future generations to enjoy. We remain true to our vision: “To lead the interiors industry in transforming the way we design, manufacture and distribute, enriching people’s lives to Live Beautiful”.

Reimagine our product lifecycle

Addressing nine of the UN’s Sustainable Development Goals.

#1

The employer of choice

We are committed to being a great and happy place to work.

0/30

ZeroBy30

We are committed to being net carbon ZeroBy30.

Our Live Beautiful framework

Brands

Elevate our brands and create consumer demand

Product

Reimagine our products: fabric, wallpaper, paint and homewares

Customers

Exceed our customers’ needs in a digital world

Geographies

Grow our UK, USA and Northern European businesses

People – Empower our people

Financial health – Tightly manage our inventory, cash, overheads and collection management (SKU efficiency)

Planet – Inspire our world



Clarke & Clarke | Harlequin | Morris & Co. | Sanderson | Scion | Zoffany | Anstey Wallpaper Company | Standfast & Barracks

People

People are at the heart of our Group and a fundamental pillar of our Live Beautiful strategy.

This is unified around our values to be Intrepid, Imaginative and Respectful. Our employees drive our Live Beautiful strategy, from talented creative teams and highly skilled craftspeople to knowledgeable sales and office-based colleagues; all our people play an important role.

We are committed to being the employer of choice in our industry and being a Great Place To Work ('GPTW') for our colleagues in a commercially successful company. We have continued to deliver on our Empowering Our People agenda, with work focused on leadership, culture, engagement and ways of working. Our people represent our biggest asset, and so the ability of the Group to attract, develop and retain talent and build capability at the pace required is fundamental to the delivery of the Group's strategic objectives and is done through fostering a dynamic and inclusive culture where all employees feel engaged. As we look ahead, we remain committed to further empowering and equipping our leaders, strengthening capabilities and expanding our talent plans, simplifying how we work, and driving positive change and a more sustainable future across every part of our footprint.

We participated in the GPTW survey for the first time, achieving an excellent response rate of 77% and an overall business rating of 63%. The results were shared across the business leading to positive discussions and targeted actions at team and business level. This has included reviewing and updating our benefits offer, investing in new development opportunities for our line managers and introducing a range of new policies and guidelines which demonstrate our continued commitment to fostering an inclusive, people-centric culture. These have included Menopause, Fertility, Sabbatical and Health and Wellbeing policies. We have also taken the opportunity to improve our maternity and paternity policies and uncoupled pension membership from membership of the Group life assurance and Group income protection schemes, so all employees are covered with effect from their start date thus enabling us to better financially support our employees at this important time of their lives.



Live Beautiful continued

Engaging with our employees regularly is something we are committed to, and we have in place a broad range of ways we do this. During 2023, we continued to work hard to develop a culture of engaging and listening, where employees feel free to share their views, and can see their feedback acknowledged and acted upon. We share a weekly CEO newsletter to ensure all employees can keep up to date with what is happening across the whole business. Other activities such as monthly business briefing sessions and interactive Senior Leader calls were particularly appreciated, as were our Meet the Board and other Board engagement sessions. Senior leader, in person half year and full year results briefings across all sites have been positively received and provide an opportunity for employees to ask questions of the CEO and CFO particularly.

We strive to create a high-performance culture and an environment where people can do their best work. Over the last 12 months, we continued to focus on evolving strategies for recruiting and developing key talent within the business in a way which promotes our cultural values. We sought to build a diverse, open and inclusive culture where all perspectives are valued. Our ambition to foster an inclusive and diverse workforce that increasingly reflects the array of the markets in which we operate is key to creating a purpose-driven culture that ensures everyone feels a sense of belonging. This will continue to be a priority focus as we move into 2024.

Our focus on building our people's capability and improving employee experience has developed over the last 12 months. The second cohort of our Sanderson Futures Team (SFT) began our Leadership Development Programme built around our values in April. The programme runs over nine months and comprises 360° feedback, coaching and training on all aspects of leadership.

In addition to this, across the year, six employees successfully completed our Level 3 CMI-accredited leadership scheme and a further 12 people have now enrolled on this course. We also offer apprentice opportunities in our factories with one of our apprentices at our Anstey Wallpaper factory being awarded Apprentice of the Year by the British Coating Federation. Through these various schemes

we are supporting our employees to develop their skills and capability in operational and financial management leadership and project management.

Delivery of our Live Beautiful strategy relies on our ability to ensure our teams continue to be motivated and empowered. To facilitate this, we developed an internal Learning and Development programme designed for employees at all levels within the business. This programme comprised of two modules, prioritised to build capability identified as an opportunity through the GPTW survey. The modules, 'Developing Effective Communication' and 'Constructive Conversations', aimed to enhance skills in assertive and respectful communication, while fostering openness to diverse perspectives. So far 80 employees have completed this programme and this will continue into the year ahead.

Delivery of our strategy has also required us to review the capability and shape of our organisation. Over the last year we have invested in our US team, ensuring we are well-placed to deliver on our US First approach. We also completed the integration of the Clarke & Clarke brand into the wider business. This resulted in changes to our UK sales team structure, leading to a reduction in the size of the combined sales team with 14 people leaving the business through redundancy. Our priority was to ensure impacted colleagues were treated fairly and with respect through this change. Looking forward we will continue to review our organisational effectiveness to ensure we are structured in a way that supports us to realise our commercial ambitions.

We are also committed to supporting the people and communities touched by our operations and beyond. To support this, we have introduced a Volunteering Policy, providing our employees with three days of paid time off to contribute to a charity of their choice. Through our site-based Community Groups, we have participated in multiple fundraising events to support local initiatives that can positively impact as many people as possible, including a £3,000 medium grant successfully awarded to one of our local charity partners funded by RWHA. Our teams are committed to instigating change and enhancing efficiency across the organisation, aiming for a more sustainable future to safeguard both our people and the planet. Among the initiatives implemented are a Zero Waste Refill Station at our Loughborough site, policies promoting eco-friendly stationery use, adoption of sustainable packaging across our warehouse and factories, and the initiation of an internal competition to encourage employees to share their innovative ideas. We support QEST, the Queen Elizabeth Scholarship Trust, to promote excellence in British craft, offering scholarships where relevant and fundraising, including SDG runners in the Royal Parks Half Marathon, among other activities.

The Company is proud to support charities around the UK. Our nominated charity partners for 2023 included the Rainbows Hospice for Children and Young People, the Lancaster & District Homeless Action Service, The Henry Allen Trust supporting children with cancer, Anna Kennedy Online, campaigning to help people diagnosed with Autism and MacMillan Cancer Support. Food and toy banks were also stationed across sites throughout the holiday seasons to support The Trussell Trust and Salvation Army in UK and Friendship House in the USA. We have also provided several local open days to better understand our operation in collaborations with local schools and provided fabric and sample donations made by the Westhoughton, Lancaster and Loughborough teams to homeworkers, infirmaries, local schools and universities and homeless charities. The Company also generously donated the beautifully curated pergola from the Morris & Co. Garden at the Chelsea Flower Show to a hospice in Leicester.

We embrace diversity, inclusivity and opportunity underpinned by a strong focus on health, safety, and wellbeing. We are delighted to be certified to ISO45001 at Anstey Wallpaper Company. We have also improved our independent external audit performance at all our other sites. In addition, we have 38 employees who have been trained as qualified Mental Health First Aiders to be proactive in providing colleagues with an outlet to support their mental health and welfare. We have held several wellbeing days with activities such as wreath making, colouring and walking offered, as well as running yoga sessions at some of our sites. There is a great opportunity to further develop this work in the year ahead. Designs in Mind, a social enterprise with whom we partnered for our Scion capsule collection in 2022, also hosted a series of creative workshops across our sites in 2023 aimed to encourage adults living with mental health challenges to work on ambitious and experimental art projects together.

Our Executive Committee ensures a competitive total reward offering, both financial and non-financial, to retain our people and attract new hires. During the year the team benefited from our continued commitment to being a Real Living Wage employer.

Reimagining the product lifecycle

In this pillar of our sustainability strategy, we are re-examining and reimagining the entire lifecycle of our products, from the sourcing of raw materials through how products are manufactured on to the process of sales and distribution. The overriding objective is to minimise environmental impact, which will in turn protect and preserve the heritage of our brands and the legacy of craftsmanship in our design and manufacturing. Here are some examples.

- Our in-house wallcovering printer, Anstey Wallpaper Company, has eco non-woven substrate available which uses 100% recycled PET.
- Our in-house fabric printer, Standfast & Barracks, continues its collaboration with the SEAQUAL Initiative to create recycled fabric bases for our printed fabric products that contain yarns made from up-cycled marine plastic.
- We continue to use the Ecofast™ pigment-based printing system, at both our manufacturing sites, significantly reducing water consumption.

- At our warehouses we've focused on product packaging, with 15% reduction in plastic and 12% for cardboard and fabric bags moved from plastic to 100% recycled/100% recyclable. Packing tape and document enclosed moved from plastic to paper, pattern book plastic bags now removed and pallet wrap is now made from 50% recycled material.
- Harlequin is striving to make more environmental choices, and where possible replace any virgin Polyester in fabrics with recycled Polyester. For example, in 'Eco Takara' – we have taken one of our bestselling fabrics and replaced the Polyester in it with Recycled Polyester.
- We are working with suppliers that purchase BC (Better Cotton). BC promotes improvements for the environment, farming communities and the economies of cotton-producing areas.
- In 2023 we launched the Clarke & Clarke eco bedding, throws and curtains (Recycled Cottons/Recycled Polyesters). All packaging fully recyclable – no Plastic (as the ready-mades have been for two years now).
- The C&C pattern books – contain no plastic/ use water-based glues/if broken down have components that can all be recycled (apart from the fabrics).
- We have reduced our carbon footprint by just under 2,000 tCO₂ equivalent (FY2023 v FY2020) by moving the majority of our continental European shipments from air to land freight.

A key part of Live Beautiful is to preserve our craftsmanship and heritage.

Preserving craftsmanship through printing techniques:



Block Printing Excellence

A highly skilled craft that produces authentic texture and imparts a handmade feel, achieving a truly special finished look.



Traditional Flatbed Printing

Utilising a time-honoured method, designs are applied to fabric through flat screens, allowing for up to 24 colours on one design using many screens. Each screen contributes a different colour to the fabric.



Modern Long Table Printing

A contemporary take on silk screen style introduced in the 1940s. This table-top process explores a variety of substrates and specialist laminates, employing opaque, metallic, and pearl inks for a dynamic range of printing possibilities.

Committing to net carbon zero

We have been working closely with Planet Mark, and its ZeroBy30 programme, to enable us to become net carbon zero by 2030, an ambitious target and one of the flagship commitments in our sustainability strategy. We have made significant developments against our roadmap to move to a carbon neutral manufacturing process.

We are delighted to have been awarded our Planet Mark Year 6 certification earlier this year, achieving a further 10.4% absolute carbon reduction. This is for the financial year ending 31 January 2024 and means that we have achieved continued reduction in our carbon emissions over the last six years, since we started working with Planet Mark in 2018. We continue to make significant strides reducing our carbon emissions, as we progress along our road map to be net carbon zero by 2030.

We have re-examined our ways of working and delivered significant changes over the last year to reduce our carbon emissions within Scope 1 and Scope 2.

At Anstey Wallpaper Company we have continued to invest in the latest printing technology. Our newest addition to our digital printing offering is a Durst Alpha 190 wallpaper printing line. This has many environmental benefits. The ink system is water-based and certified to the Global Organic Textile Standard and OekoTex Standard 100. The line uses no gas, with all our electricity certified as renewable, further supporting our reduction in carbon emissions. With a far shorter run length, there are significant opportunities to reduce waste with reduced colour adjustments and set-up waste, as well as shorter print runs.



This technology is similar to our Ecofast™ print process at Standfast & Barracks. This provides our customers with the opportunity to utilise the latest pigment digital printing technology.

Ecofast™ uses high-definition Durst Pigment Inks to print ‘multi-colour’ performance fabrics suitable for indoor and outdoor use and is OEKO-TEX® Certified for all cotton-based fabrics. The water and energy consumption of Ecofast™ compared with Conventional and Digital Reactive printing is vastly reduced, benefitting the environment on a local and global scale.

We have not stopped there at Standfast & Barracks. We have invested in the latest continuous steaming solutions to reduce energy consumption within the finishing processes, including the use of a new sampling mini steamer for colour adjustments. We have also realigned our work practices and patterns to ensure the most efficient use of steam during the working week, reducing gas consumption by approximately 20%.



At all of our sites we have energy champions, promoting energy-saving initiatives. This has included installing LED lighting throughout our sites in Lancaster and Loughborough and one of our warehouses in Milton Keynes. Within manufacturing we continue to look for incremental improvements such as air or steam leak audits, further changes to work patterns and future investment in new equipment and refurbishment of our current assets.

By reducing our carbon footprint, we are addressing nine of the United Nations’ Sustainable Development Goals. The UN SDGs reflect an understanding that sustainable development everywhere must integrate economic growth, social well-being and environmental protection.

