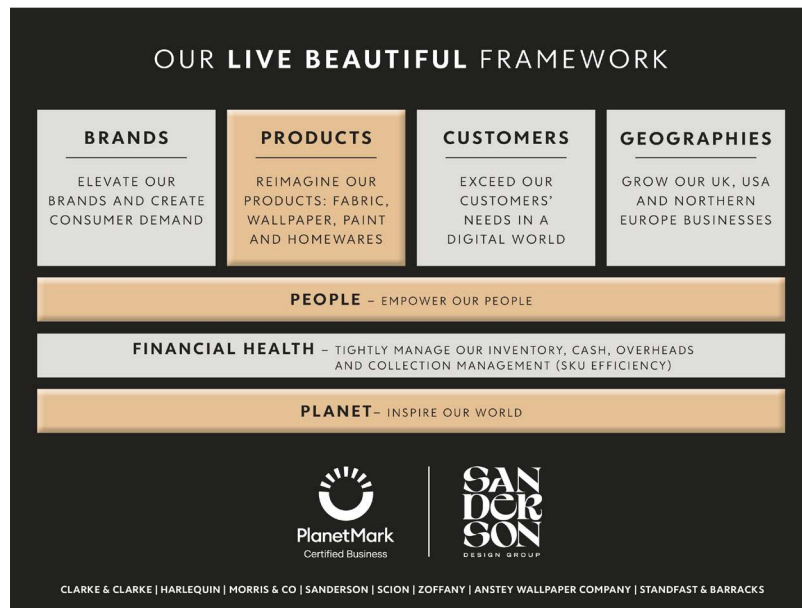


LIVE BEAUTIFUL

# DELIVERING SUSTAINABILITY

Our Live Beautiful framework, shown below, was launched externally in April 2021, outlining our long-term strategies as envisaged in our Chief Executive Officer's Strategy and Operating Review and Chief Financial Officer's Review. People, Product and Planet are the three pillars of our Sustainability Strategy and form an integral part of our overall business strategy.



# BRINGING THE BEAUTIFUL INTO PEOPLE'S HOMES AND LIVES

To Live Beautiful means preserving our heritage and craftsmanship for future generations to enjoy. It means to live well with respect, care and compassion for our world and everyone who lives in it. Our vision is 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

Address 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.

# REIMAGINING THE PRODUCT LIFECYCLE

In this pillar of our sustainability strategy, we are re-examining and reimagining the entire life cycle of our products, from the sourcing of raw materials through how products are manufactured on to the process of sales and distribution. The over-riding objective is to minimise environmental impact, whilst protecting and preserving the heritage of our brands and the legacy of craftsmanship in our design and manufacturing.

Reimagining our products and processes to become more sustainable and meet our carbon reduction targets has resulted in a broad range of initiatives, which range from printing substrate through production processes to packaging:

Minimising environmental impact:

- We have continued our focus on packaging and continued our programme to replace the use of plastic by using innovative recyclable materials and paper-based products and are delighted to say that the vast majority of our packaging is now in recycled or recyclable materials.

- We continue to use paper tape instead of polypropylene for the packing of wallpaper orders, which are shipped in cardboard, and pattern books are now packed in cardboard rather than plastic. Plastic air pockets have also been replaced by recycled alternatives.
- A sustainable, biodegradable plastic alternative based on sugar cane is now used for the packaging of fabrics and we have reduced the paper we send out with samples and reuse cardboard boxes where possible in our supply chain.
- We have expanded the use of reusable fabric tote bags instead of plastic to package bedding and ready-made products following the lead from our Clarke & Clarke brand.
- We continue to source the majority of our 100% cotton base fabrics, along with our cotton velvet and some cotton linen blends, through Better Cotton Initiative contracts, which brings traceability to the supply chain to ensure sustainability.
- Our Clarke & Clarke brand has launched two further Eco Sustainable Weaves ranges this year, which use a fabric made entirely from recycled plastic bottles, using approximately 90 plastic bottles per metre of fabric.
- We launched our exclusive Eco non-woven substrate at Anstey Wallpaper, utilising 100% recycled PET.
- We have continued the investment in production processes that are more environmentally friendly. For example, the Ecofast™ pigment-based printing system, which significantly reduces water use, developed at Standfast & Barracks has been adopted for wallpaper printing at Anstey.
- We have a Zero to Landfill policy and reuse, repurpose or donate excess product to good causes in our communities.

We are committed to preserving craftsmanship through the printing techniques we adopt:

- Block Printing is a highly skilled craft that creates authentic texture and a handmade feel for a truly special finished look.
- Flatbed printing is a traditional printing method where the design is applied to fabric using flat screens. There can be up to 24 colours on one design, using up to 24 screens to print a full design onto fabric. Each screen is used to print a different colour onto the fabric.
- Long Table Printing is a modern take on silk screen style. Long table printing was first introduced in the 1940s and remains a table-top process to explore a range of substrates and specialist laminates with opaque, metallic and pearl inks.

We are currently in the process of digitising our extensive archives.

# EMPOWERING PEOPLE



**People are at the heart of our Group and a fundamental pillar of our Live Beautiful strategy, which is unified around our values to be Intrepid, Imaginative and Respectful. Our employees drive our 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 for our colleagues in a commercially successful company. We have designed an Empowering Our People agenda to deliver this goal, with work focused on leadership, culture and talent and capabilities 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. We are committed to 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.

While our programme has a multi-year horizon, we have shown a significant shift in employee engagement, increasing from 58% to 78% in our last employee engagement survey.

We will continue to increase employee engagement by creating a culture of empowerment. Following our last survey, all leaders across the organisation reviewed their team's feedback, discussed priority areas and developed actions that teams continue to work on together. This local activity is driving informed and positive discussions around how each of our employees can feel better supported when it comes to their health and wellbeing.

We strive to create a high-performance culture and to create an environment where people can do the best work of their lives. 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.

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 2022, we continued to work hard to develop a culture of listening, where employees feel free to share their views, see their feedback acknowledged and acted upon. 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 where employees benefit from the chance to ask questions and hear updates directly from our most senior leaders.

During the year, we focused on building our talents capability and driving team engagement. The Company's first cohort of SDG's future team graduated from a new Leadership Development Programme built around our values. The Sanderson Futures Team ('SFT') programme is run over nine months and comprises 360° feedback, coaching and training on all aspects of leadership. The second Group will commence the course in April 2023.



## LIVE BEAUTIFUL CONTINUED

We have also introduced a structured Group-wide CMI-accredited Apprenticeship scheme, encouraging our apprentices to develop their skills and capability in operational and financial management leadership and project management.

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 Furniture Makers Company is the industry's livery that Sanderson Design Group is proud to support as a Corporate Member, sponsoring the first Textile Award in 2022 for Young Makers, and taking up the Step2It challenge with walkers site-wide stepping out to raise funds for education and access to the industry.

Delivery of our strategy relies on our ability to ensure our people continue to be driven and empowered. To facilitate this, we have delivered training for all colleagues on how to build an inclusive environment, as well as unconscious bias training and mental health at work and provided 144 line managers with training on developing emotional intelligence, effective communication and enhancing goal setting and feedback training. We are committed to being an agent for positive change. We have also provided additional resources to drive awareness of support on menopause, cancer and men's mental health and the cost-of-living challenges.

Through our operations, we are reducing our environmental impact; we aim to stimulate demand for more sustainable raw materials. We are also committed to supporting the people and communities touched by our operations and beyond. 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.

The Company received a grant of £3,000 from the Royal Warrant Holders Association to a charity of our choice to honour the Jubilee of her late Majesty. Our nominated charity was Rainbows Hospice for Children and Young People, Loughborough's sponsored charity partner for 2022. The RWHA provided an additional grant to support our nominated charity, Lancaster & District Homeless Action Service, to provide support for homeless people's refurbishment of their new building to ensure the space is fit for purpose.

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 Westthoughton team to homeworkers 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. Our Standfast & Barracks won the Global award and Medium Business of the Year at the BIBAs.

We will 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 42 employees who have now 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 created a collection with the charity Designs In Mind and 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 delivery of the all-employee bonus scheme.





LIVE BEAUTIFUL CONTINUED



# 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 were pleased to receive our Planet Mark Year 5 certification earlier this year, for the financial year ended 31 January 2023, which marked the fifth financial year that the sustainability of our business has been measured by Planet Mark, the sustainability certification organisation.



**PlanetMark**

Certified Business

By reducing our carbon footprint, we are addressing nine of the United Nations' Sustainable Development Goals.

