

SUPERDRY



BETTER CHOICES
BETTER FUTURE

Sustainability Report 2023

Welcome to Superdry's 2023 Sustainability Report - our annual progress check on our journey to becoming the world's #1 premium, sustainable style brand.

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A better future

"Sustainability is transforming Superdry. Our journey, captured at the start of this year in our 'Better Choices, Better Future' campaign is progressing well and you can see it for yourself in the numbers reflected in this report.

This transformation represents a shift in mindset across the brand. With focus, each team owns their part in the strategy, amplifying the scale of change.

I'm particularly proud of the strides we have taken this year in our climate disclosure increasing our use of recycled materials, and the progress of our organic cotton farmer conversion programme.

Reaching the CDP 'A List' for climate disclosure (the top 1.5% of businesses reporting), demonstrates how far we've come over the past three years, progressing from a 'C' grade in 2019. And for a second time, we have topped the Financial Times Europe's Climate Leaders list, number one for our progress amongst British based fashion brands.

We have now set our market leading Science Based Target, demonstrating our

continued commitment to decarbonise our business aligned with a 1.5c future. This year is our first year of reporting against this new target. Tracking from 2020 onwards, it's great to see the impact of past choices coming through in these results too – beating our target for the third consecutive year.

I am pleased to see the increasing share of recycled materials used across the range; we now buy more recycled polyester than conventional. Transitioning our mainline collection to recycled options has been a core priority. Following the success of fully recycled padding in all of our jackets last year, this year we trialled recycled liners, an initiative we will be scaling for winter (2023). 100% of the fabrics used in our swimwear collections are now recycled too.

Recycled cotton is also increasingly being used alongside our organic cotton options. We are using our own waste cotton in our sweat ranges, converting over 100,000 individual garments into fully recycled fabrics sourced from our own waste this year alone.

Organic cotton and the health of our soils remains at the heart of our product strategy, with over 12,787 farmers this year completing their training to convert to organic practices. With 62% of the volume bought converted to low impact, organic or recycled materials (3% off our 2025 target), we're further ahead than I thought we would be at this stage and proud of it. I would like to thank my colleagues, our investors, suppliers, and partners for their continued support."



Julian Dunkerton
 Founder and Chief Executive Officer

Our KPI progress

		FY20	FY22	FY23		FY25
		Base	Achieved	Target		
Use low impact materials	KPI 1 % Total volume bought converted to organic, low impact or recycled alternatives	16%	47%	62%	47%	65%
	KPI 2 # Cotton farmers converting to organic practices	869	7,583	12,787	12,000	20,000
	KPI 3 % Total volume with mapped water footprint (% saving per garment)	0%	72% (N/A)	100% (-18%)	100% (-10%)	100% (-40%)
Move to net zero	KPI 4 % Packaging moved to recyclable, reusable, or compostable alternatives	75%	98%	99%	99%	100%
	KPI 5 % Renewable energy used in stores, offices, and distribution partner sites	55%	90%	93%	90%	100%
	KPI 6 Scope 1, 2 and full Scope 3 emissions, TCO2e, all SBTI categories (% reduction)	306,675	241,269 (-21%)	190,803 (-38%)	262,935 (-15%)	237,299 (-25%)
Communicate our journey with integrity	KPI 7 # Workers in our third-party supply chain actively engaged in our respect and dignity training programme	8%	21%	27%	25%	50%

Highlights

12,787 farmers participating in our organic cotton conversion programmes.

£385,068 raised for charity through stock exits and second quality garment donations to Oxfam and Newlife.

39% of garments produced in factories using renewable electricity.

570 MT of fabric donated or recycled within our stores, distribution centres and supply chain.

27% of workers in our supply chain actively participating in **Respect** programmes across India and Turkey.

Reached CDP **"A List"** for our Climate Disclosure – the top **1.5%** of businesses reporting.

62% of all garments, footwear and accessories bought contain a sustainably sourced material.

Set our **Science Based Target** – committing to reduce our absolute Scope 1 to 3 emissions by **50%** by 2030.

100% of swim collection contains recycled materials, with recycled polyester accounting for 5.25 million recycled bottles.

Over **24,000** jumpers and socks donated to victims of the Turkey and Syria earthquake.

Full water footprint mapped with **12.8 billion litres** saved in producing our garments this year alone.

FY 23

What's coming up

Over **4,000** farmers achieve organic certification after years in conversion, supplying enough cotton to make c. 3 million Superdry Essential Tees.

Launch of new recycled Sports Puffer, our first mainline collection using fully recycled fabrics from **Shell to Fill to Liner**.

20% reduction in average water footprint per garment since FY20 (ahead of plan to **40%** by 2030).

30% of workers in our supply chain actively participating in **Respect** programmes across India and Turkey.

All coal fired boilers **phased out** from Tier 1 factories.

FY 24

1,000 MT of fabric donated or recycled within our stores, distribution centres and supply chain.

45% of garments produced in factories using renewable electricity.

Continue to overachieve against our Science Based Target – with **38%** achieved reduction between FY20 and FY23 against a target of 15%, we are well on our way!

Low impact materials

By 2025, 65% of the volume we produce will contain a low impact, organic or recycled material. Prioritising sustainability - alongside quality, price, and fairness - we are committed to creating a value chain of prosperous partnerships which benefit both our planet and the people on it.

In the last year, sustainably sourced products accounted for 62% of all volume bought, just 3% away from our 2025 target and accounting for 64% of full price sales (outperforming products yet to be converted).

Choosing low impact, organic or recycled alternative materials, our sustainably sourced range delivers a balanced improvement in our carbon, water, and chemical footprint.

Carbon

Our raw material footprint accounts for 62% of our total carbon emissions.



Switching to low impact materials will help achieve our Science Based Target - **up to 20% reduction in our full carbon footprint by 2025, 50% by 2030.**

Average emissions per garment (kg, CO2e, FY20): 6.84

Average emissions per garment (kg, CO2e, FY23): 6.15

Saving: 10%

Total carbon avoided: 15,799 MT

Water

The raw materials we use require significant amounts of water to produce.



Switching to low impact materials will help achieve our water reduction KPI - **-20% by 2025 and -40% by 2030.**

Average water volume used per garment (litres, 2020): 898

Average water volume used per garment (litres, 2023): 732

Saving: 18%

Total water avoided in FY23: 12.8 billion litres (855 million buckets)

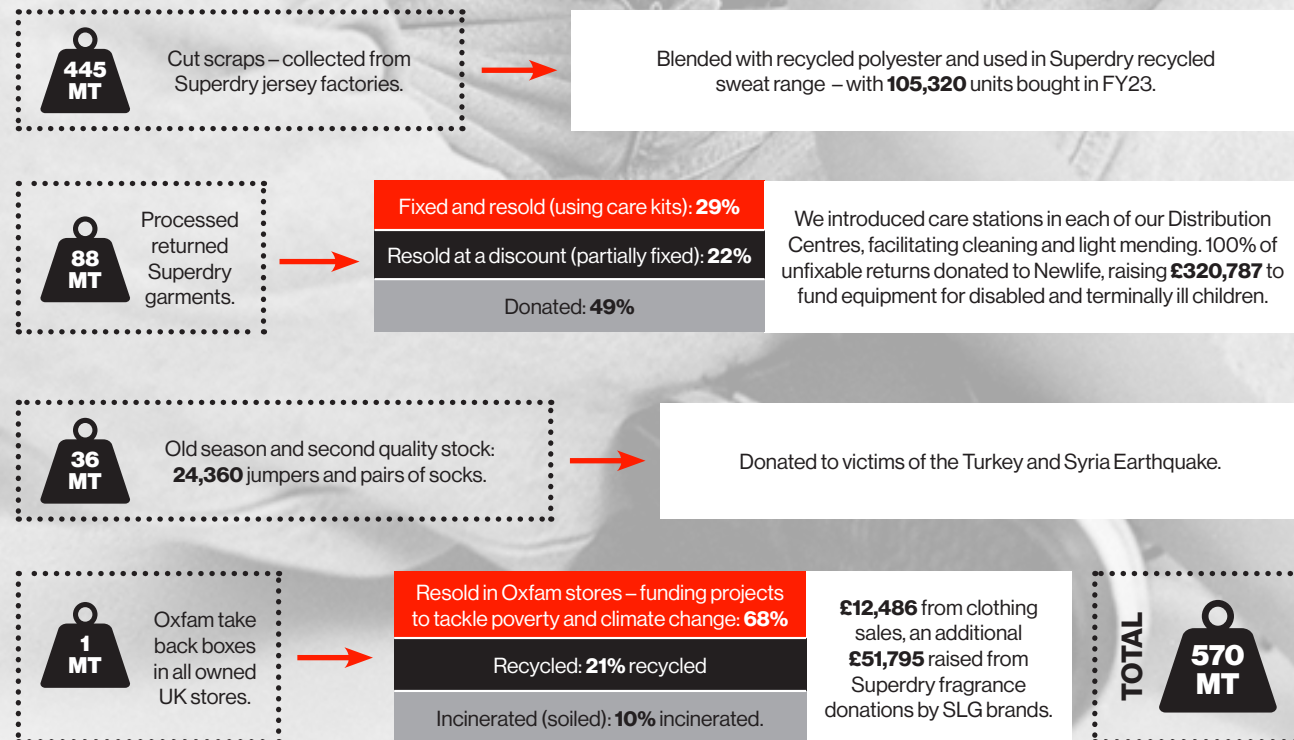
Chemical

Some chemicals used in dyeing, printing, and washing processes can cause environmental damage.



By joining the Apparel & Footwear International RSL Management (AFIRM) working group and Zero Discharge of Hazardous Chemicals (ZDHC) programme, **we aim to reach ZDHC compliance by 2030.**

Top 25 suppliers registered on the ZDHC portal and 'Supplier to Zero' programme, providing information about the chemicals they use to make our products.



Organic, in-conversion & recycled cotton

By 2025, all pure cotton garments will contain organic, in-conversion or recycled cotton, making significant steps towards our wider low impact goals.

Cotton is the largest single material we use, featuring in 68% of our total garment volume bought. Working with our suppliers we have converted 60% of all pure cotton garments bought, and we are on track to achieve our 2025 target of 100% pure cotton fabrics with the conversion of printed t-shirts and sweats. Converting our pure cotton fabrics to organic cotton has been a significant driver in achieving an 18% saving in our overall water footprint.

Organic continues to be our largest driver in water savings with 918 litres or 74% per garment saved compared to FY20.

We continue to track garments containing in-conversion cotton with no overall saving in water. Speaking to farmers converting to organic in our farmer training programme, they note reduction in water use between first and third years of conversion. We are therefore working with our partners and farmers to measure the actual saving over this period with the aim of more accurate reporting of our footprint over time.

Building a fully traceable supply chain, this year we used cotton sourced from farmers enrolled in our organic in-conversion training programme in India to produce our t-shirts for the third consecutive year, and for the first time we introduced this cotton into our Chinese supply base – using it in our Essential sweats range.

Recycled & low impact materials

We converted 44% of our volume containing conventional polyester, nylon, modal and viscose fibres to recycled and low-impact materials in FY23.

With all Spring Summer 2022 swimwear containing recycled materials, we have seen our recycled polyester footprint reach 66% of our total polyester footprint this year. Increasing from 25% in FY22.

Using recycled polyester is also helping to decarbonise our product, representing a significant saving in carbon with 26% saved per kilo of polyester produced (HIGG). We also converted our full flip flop range – the first of its kind – containing between 40 and 50% recycled EVA. Working together, we built a testing and traceability process to provide confidence that the source of feed stock contained no animal traces.

We continue to keep track of new innovations within this range converted to low impact materials (Manmade Cellulosic Fibres/MMCFs in particular), where we see a significantly higher impact on water usage and accounting for 3% of our volume.

By 2025, we will recycle and reuse over 2,000 MT of fabric/garment waste.

Changemakers

Continuing to build a fully traceable supply chain, this year we invested in organic 'in-conversion' training for 12,787 farmers across India and Turkey, as part of our journey to support 20,000 cotton farmers into certified organic farming by 2025.

One key partner in India was Changemakers, who introduced 2,000 'in-conversion' farmers to their first year of organic farming, starting in May 2022.

Spanning 28 villages, and farming over 2,700 acres of land in Madhya Pradesh – these farmers will progress to fully certified organic in 2024 - supplying up to 500 MT of fully traced and certified organic cotton to Superdry suppliers – enough to make 1.5 million Essential t-shirts.

As is standard with any first year of conversion, Superdry provided funding for 5,000 packets of GMO-free seeds to help get them started.

Changemakers' training curriculum included best possible techniques to make homemade organic pesticides, fertilisers, and herbicides. With over 70% of those trained being women, they also supplied farmers with free vegetable seeds to grow their own kitchen gardens and promote better long-lasting nutrition for their families.

Working towards a future of financial security, Changemakers also helped incorporate the Jobat Mahila Kisan Farmer Producer Company Limited, a local co-operative lead by farmers, with the mandate of helping members trade their cotton collectively to receive greater financial independence, alongside a guaranteed premium for their crop.

Susheela Di, from Kjutaja in Madhya Pradesh, India

"I was excited to learn that there can be a way of cultivation which is free from chemical pesticides. I started to cultivate cotton in that way and wanted to check if that can be successful with vegetables also. I had a successful harvest and

sold the cotton and the vegetables, saving around 10% of them for my own family. I plan to use the extra money for my children's education and will add more area for cultivation of vegetables."



Move to net zero

This year, Superdry publicly committed to align our carbon strategy with the latest climate science to play our part in meeting a 1.5°C future.

To do this, we updated our original carbon reduction target, originally set in 2019, to a Science Based Target (SBT).

We established the foundations to set and track ourselves against an SBTi target 12 months ago, by completing our Scope 3 baseline for FY20, FY21 and FY22. We have spent the last year familiarising ourselves and our Board with the SBT guidelines to ensure our target aligns with the latest scientific recommendations, and is purposefully designed to challenge ourselves and lead amongst our peers.

Our short (near) term target to 2030

To reduce absolute Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions by 50% from a FY20 base year.

Our long-term target to 2040

To reach net-zero GHG emissions across the value chain from a FY20 base year.

Decarbonising our business by 90%, and investing in up to 10% Certified Emissions Reduction offsets, only after meeting our long-term goal.

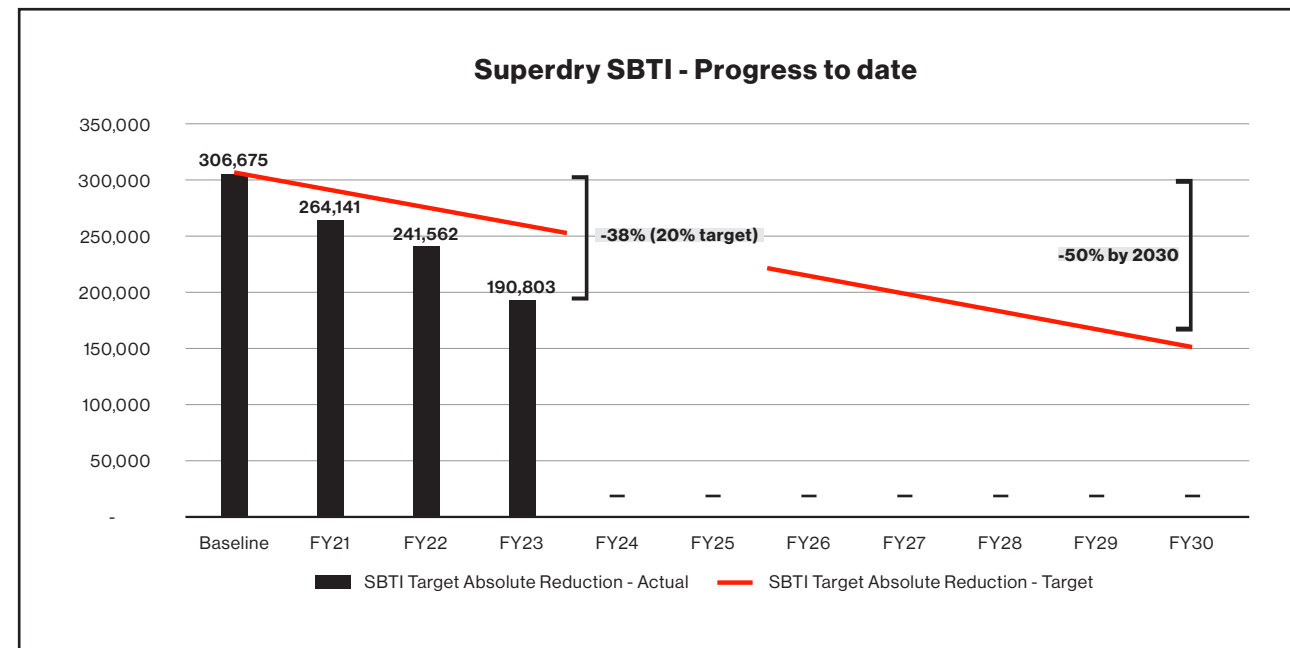
Scope 1: Direct use of fuels within our owned company facilities. **Scope 2:** Purchased electricity, steam, heating, and cooling for own use within our owned company facilities. **Scope 3:** Indirect emissions associated with upstream and downstream activities in our value chain.

Our current performance

Our SBT aligned pathway tracks a straight line 5% annual absolute reduction in Scope 1, 2 and 3 market based emissions between 2020 and 2030.

Current performance is extremely promising - tracking above our target FY23 reduction of -15%, currently at -38%. This is mainly driven by our reduction in Scope 3 emissions, which account for 99.9% of our total footprint.

Having set an absolute reduction pathway, we recognise that we will need to focus on increasing carbon efficiency as Superdry recovers profitability and begins to grow again.



Our direct emissions, Scopes 1 & 2

Our Scope 1 and 2 emissions are in our direct control and represent a significant climate opportunity. Representing a small percentage of overall footprint (0.1%), it's a core part of our short-term SBT target as we are committed to annually sourcing 100% renewable electricity.

Our baseline year (2020) for our SBT starts low at 363 Tonnes Co2e. This year we achieved 180 tonnes Co2e since introducing 100% renewable electricity in our stores and offices in 2018.

Despite a challenging energy market this year, we have continued to source 100% renewable electricity in our stores and offices despite price increases and instability, particularly in Europe.

Using less energy remains a core focus for our teams, and in FY23 we completed installation of LED bulbs in 76% of our UK and European owned estate, and closed store entrances globally reducing the need for overdoor heating. We aim to reach achieve 25% efficiency across all stores by 2025 (on a FY17 baseline).

Our indirect emissions, Scope 3

Accounting for 99.9% of our total footprint, so far, we have achieved a 38% reduction, tracking above our SBT plan of 15%. We have achieved this by:

- Buying smarter, reducing our buy volumes by 31% compared to FY20, and selling through stock in our warehouse.
- Reducing the carbon impact of our materials by converting 62% of our garments to low impact materials, from a base of 16% in FY20, while also increasing the use of renewable electricity in factories to 39% of garments bought, from a 0% baseline in FY20.

Wider improvements have been driven by:

- Achieving our 1% cap for inbound airfreight, reducing our upstream freight emissions by 31% since FY20.
- Improving calculations, with greater visibility in emission factors compared to previous years. Going forward, we are committed to using open-source factors to improve the transparency of our footprint. We have also expanded our reporting to account for investments including pension contributions.

Scan here for a download of our full Carbon Footprint.



What's next?

There are lots of opportunities out there to continue decarbonising the brand, through a significant focus on our product:

- -25% improvement in carbon emission efficiency from our garments by 2030 – shift to 100% organic cotton, and 96% lower impact materials.
- 9% carbon reduction potential comes from increased use of even lower carbon alternatives such as recycled cotton.
- -10% reduction potential comes from finding more efficient, lower carbon sources for non-electrical energy (e.g., gas, diesel, etc.) in our factories.

To date we have eliminated coal fired boilers in our Tier 1 factory base, but are working with our suppliers to find optimal alternatives as well as certifying our full supply base to ISO 50001 which provides a pathway to efficient energy usage.

Working with our logistics and procurement teams we intend to continue to maintain inbound air freight at 1% with improved supplier engagement and emissions transparency - to align decarbonisation pathways and future opportunities e.g., sea, not road.

Communicating our journey with integrity

Representing the next phase in our strategy, 'communicating with integrity' means working with our suppliers and other partners to help drive our goals forward with accountability, and transparency.

We reached the CDP 'A List' for climate disclosure, the top 1.5% of businesses reporting, ranked 15 out of 500 overall; and topping the 2023 Financial Times Europe's Climate Leaders list for UK based fashion companies.

- We increased the percentage of workers enrolled in our Respect training programme by 5%, successfully introducing the programme in Turkey for the first time.
- We published our factory base and continue to move our ethical trading programme forward.

	COMMITMENTS	STATUS
FY25	Reach the top 15% of brands within the Fashion Revolution Transparency Index.	Top 18% (17% in FY23)
	Achieve A List for CDP climate reporting	Achieved
FY23 - 4	Our first dedicated sustainability consumer-facing campaign, 'Better Choices Better Future'	Achieved
	Launch of franchise and wholesale sustainability education programme	Achieved
	Publication of our approved third-party owned factory list	Achieved
	Validated science-based target published	In process, certification in Sept-23

Fair & safe conditions in our supply chain

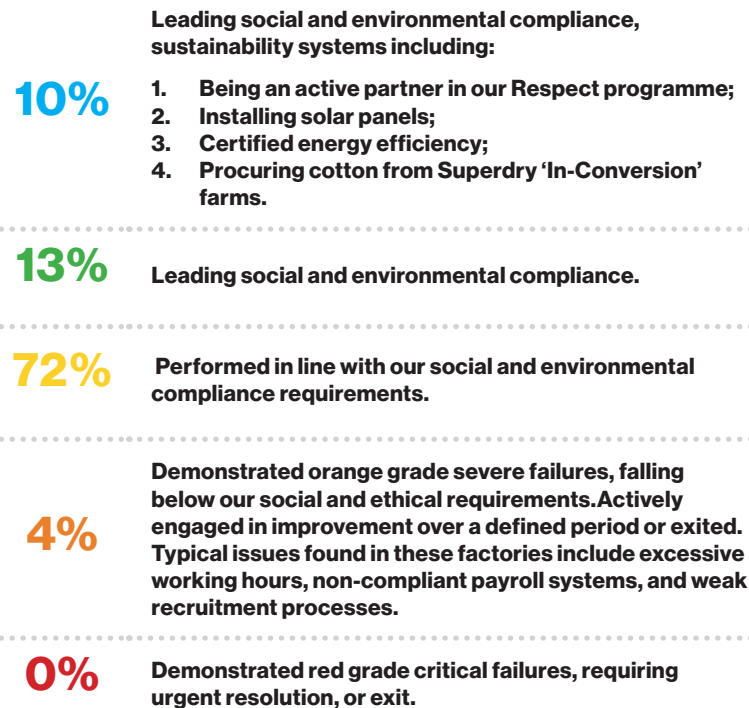
We use 89 third-party owned factories to make our products – each factory is closely monitored and managed throughout their relationship with Superdry. This year, we published our full factory list.

Scan here for more information on our approach to human rights, and to access our full factory list.



Our supplier monitoring and improvement programme continues to drive improvement through our factory base. This year, 96% of our factory base reached or exceeded our compliance standards.

Our supply base



Respect: Equal voice and equal treatment for all workers

By 2030 all workers in our direct factories will be actively engaged in our Respect programme.

Respect is our commitment to go beyond basic supplier compliance. Aligned with the UN Women's Empowerment Principles, each 12-month initial project involves training and awareness raising with management, supervisors, and workers to drive focus in five key areas: fair and transparent recruitment, equality in pay and performance, maternity rights, health and safety measures which work for everyone, and effective grievance mechanisms.

This year we extended the programme to five factories (or 6,000 workers) in India, working with local experts, the Inoculation Hub. We also launched the programme with our leading supplier in Turkey - Sertim Tekstil - in partnership with local experts.

Starting the programme in 2018, some factories are coming up to five years enrolled. We continue to track core data points, and refresh training with suppliers that have completed their initial year of training to ensure programme sustainability.

Our vision is for all workers to have access to workplaces that treat them with respect & dignity and equal opportunities to raise their voices through effective worker committees and strong grievance mechanisms.

So far, globally, we have reached over 15,000 workers, 27% of the people in our Tier 1 supply chain.

Scan the QR code to hear from the workers at Richa Global, India.



"Since the launch of the project, I sense more courage among workers on voicing their grievances."

Sangita, Supervisor
POSH Committee Member, Richa Global

"The awareness among the workers has been outstanding. The workers used to be hesitant to approach HR, that has vanished. They are aware of the right channels to raise grievances."

Jyoti, Labour Welfare Officer
Richa Global

"By implementing the gender empowerment programme, we were able to get, discuss and evaluate the suggestions and grievances of our women employees more effectively."

Aycan Inal, Chairman
Sertim Tekstil Women Committee Members

SUSTAINABLE DEVELOPMENT GOALS



# Key performance indicator (KPI)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Sustainably sourced volume mix												●					●
2. Cotton in-conversion farmer training	●		●			●		●				●			●		●
3. Water footprint reduction						●						●					●
4. Packaging												●		●			●
5. Renewable energy							●				●		●				●
6. SBT carbon emissions reduction							●				●		●				●
7. Respect programme	●		●			●	●	●	●	●		●					●

Our partners

We rely on great partners to help deliver our initiatives and positively contribute to the communities within which we operate. We would like to thank each partner whose work we have been able to showcase in this report.

BRITISH RETAIL CONSORTIUM (BRC) CLIMATE ROADMAP - *Proud supporter:* Committed to supporting customers to collectively deliver the industry's net zero ambition.

OUR ETHICAL AUDIT PARTNERS - Bureau Veritas, Social Compliance Services Limited and The Reassurance Network.

ETHICAL TRADING INITIATIVE (ETI) - *Member:* A leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.

NEW PLASTICS ECONOMY GLOBAL COMMITMENT (NPEGC) - *Proud signatory:* This initiative has been rallying businesses and governments behind a common vision of a circular economy for plastic.

ORGANIC COTTON ACCELERATOR (OCA) - *Affiliate member:* OCA unites the global organic cotton sector. From field to fibre to fashion, OCA enables measurable improvements to farmers' livelihoods and local communities, creating the conditions for change to secure the future of organic cotton.

OUR ORGANIC COTTON IMPLEMENTING PARTNERS - Action for Social Advancement (ASA), Changemakers, The Rime Foundation, Suminter Organics.

OXFAM - *Partner:* Superdry has partnered with Oxfam to offer a 'Give Back' scheme across all full-price UK and Republic of Ireland (ROI) stores, in order to collect and extend the life of clothes by reuse, resale or recycling.

SCIENCE BASED TARGETS INITIATIVE - *Committed signatory:* Superdry has responded to the SBTi's urgent call for corporate climate action. Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change.

THE SUSTAINABLE APPAREL COALITION (SAC) - *Member:* Their mission is to transform business for exponential impact through ground-breaking tools, collaborative partnerships, and trusted leadership for industry sustainability.

ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC) - Through collaborative engagement, standard setting, and implementation, Superdry will advance towards zero discharge of hazardous chemicals.



For more information beyond this report, please scan the QR codes below:





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BETTER FUTURE

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