

In order to be more cohesive with our internal operations, we have amended the reporting period of our Impact Report to fall within the financial year, rather than the calendar year. The below is a condensed bridging statement outlining the updates to methodologies and progress for the six-month period between January 2020 and June 2020.

As we strive for a regenerative and more sustainable future, we use a 'triple bottom line' framework to examine our business's social, ecological and financial impact. These three pillars underpin our work and for the purposes of our impact report, we've re-named them – People, Planet and Prosperity.



Examining our social impact through supply chain transparency.

People

SUPPLY CHAIN TRANSPARENCY

From design to finished product, every one of our primary partners work to uphold our Code of Conduct, which outlines a baseline of social and environmental requirements each partner must meet in order to work with us.

• 100% of Tier 1 signed Code of Conduct

Our efforts to map our supply chain continue to grow as we work towards full traceability. We value the development of stable long-term relationships with our suppliers. Moving forward, we aim to extend our engagement beyond Tier 1 and Tier 2, to develop stronger relationships with Tier 4, Tier 5 and Tier 6 to move together towards our goals.

- 100% of Tier 1 mapped (Garment Manufacturers)
- 72% of Tier 2 mapped (Prints, Dyes & Washes)
- 38% of Tier 3 mapped (Inputs Suppliers)
- 86% of Tier 4 mapped (Fabric Mill)
- 45% of Tier 5 mapped (Yarn Supplier/Spinner)
- 7% of Tier 6 mapped (Raw Materials)

Further to our Code of Conduct, we request our Tier 1 partners undertake a social and environmental audit, this helps to ensure they operate in alignment with our agreement.

- 75% of Tier 1 have undertaken a social audit
- 58% of Tier 1 have undertaken an environmental audit

In our 2019 Impact Report we reported only on audit results that had no outstanding corrective actions at the close of reporting period. We believe this does not give the suppliers the credit they deserve in their on-going efforts to work together in remediating these corrective actions.

SOCIAL ADVOCACY

Spell's roots are planted in a deep appreciation for handcrafting. Many artisan communities around the world are rich in skill and traditional artform but lack the means to participate in global trade. In staying true to our roots, we aim to design with artisans each year.

1 x Artisan Collection







Examining our ecological footprint from carbon emissions, chemical, waste and water usage.

Planet

PREFERRED FIBRES

- 11% total growth of preferred fibre portfolio
- 85% of forest fibres to be responsibly sourced growth of 43%
- 56% of cotton made up of responsibly sourced cotton reduction of 19%
- 61% of synthetics made from preferred synthetics growth of 18%
- 14% of garments made from recycled fibres growth of 3%

CARBON FOOTPRINT

We measured our carbon footprint in line with the same methodology as last year for this bridging statement, however, we will be reviewing our carbon inventory boundary for FY21 with the aim of reporting on a more holistic representation of our operations. Our carbon inventory boundary for this reporting period included only domestic operations and included our Scope 1 and Scope 2 emissions and a limited level of Scope 3.

Our calculated domestic operations carbon footprint for January 2020 through June 2020 was 128.87 tonnes of CO2-e. We again chose to offset with the Aboriginal Carbon (ABC) Foundation, Tiwi Island carbon abatement project as we feel passionate about the carbon farming led by Indigenous Rangers. We purchased 121 ACCU's at \$23 per unit, equaling \$2783.









Examining our Giving-Back / Philanthropy program.

Prosperity

2020 started off in smoke as we watched the devastation of the Australian Bushfires roaring across the Country. We launched our Unicorn Tears pre-order collection of sought-after archive pieces, of which 100% of profits were donated to multiple organisations assisting in bushfire relief. Thanks to the incredible response from our customers, our Unicorn Tears initiative enabled us to donate an exceptional amount:

\$967,833

This was broken down to donations to non-profit organisations as follows:

- \$111,037 CFA Vic Brigades Donation Fund
- \$107,537 NSW Rural Fire Service
- \$322,610 St. Vincent de Paul Society NSW
- \$161,306 Wildlife Victoria
- \$107,537 CFS Foundation
- \$161,306 Wires

During this reporting period we also donated to Women's Earth Alliance (WEA), a US-based organisation that catalyses women-led, grassroots solutions to protect the environment and strengthen communities from the inside out. By donating 100% of proceeds from an intimates range created to support the organisation, we were able to give the following to WEA:

US\$22,487 (approx. AU\$35,700)

Our total Global Donations and Community Giving Back initiatives from January 2020 to June 2020:

• \$1,020,130





SPELL

WE LOOK FORWARD TO SHARING OUR SUSTAINABILITY

JOURNEY AND PROVIDING A MORE DETAILED REPORT

FOR FY21.

www.spell.co