

A NOTE FROM OUR SUSTAINABILITY DIRECTOR, LAURA FORD

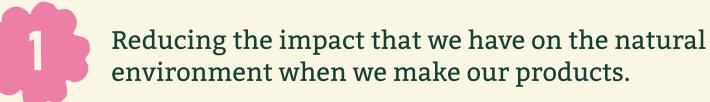


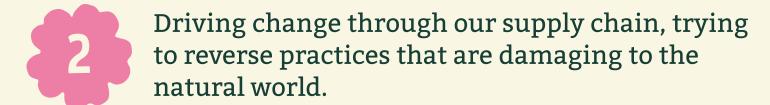
Since 1974, we've been making sustainable choices available to everybody with our vegan and cruelty-free products. As a family-founded and run business, preserving the planet for future generations has always been of the utmost importance to us. Now, at a time when tackling climate change has never been more urgent, we're determined to use our business as a force for positive change. This report tells you how we're doing. It's an ongoing journey, but there's lots to celebrate so far.

In August 2022, we became the first company in the world to put Nature on the Board. By appointing independent representatives of Nature to our board of directors, we're giving Nature a voice and a vote in everything we do. We also amended our Articles of Association (like a rulebook for how a company should be run) to give our business a legal purpose: to have a positive impact on society and the environment, as well as a financial one.

As a manufacturing business, having a positive impact on and a regenerative role within Nature isn't easy, but we're taking on the challenge in three main ways:









We're tackling two key challenges: reducing environmental impact and helping to restore Nature.

Over the last year, we've worked closely with our Nature Guardian, Brontie Ansell of Lawyers for Nature, to create a governance structure with the Rights of Nature at its heart. We're still at the beginning of this process, but

already its impact can be felt. It's changing the way we understand our own place in the natural world, as individuals and as a business.

Our ambitions will help us regenerate Nature as we continue with our mission: to make it easy for people to make better choices for themselves and the planet, every day. Right now, it's a matter of setting timelines for achieving these goals. Of course, we'll keep you posted as we go.

Laura Ford, Sustainability Director Faith In Nature





SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a set of 17 interlinked global goals which, together, serve as "a blueprint for peace and prosperity for people and the planet, now and into the future." Developed in 2015, the United Nations General Assembly created the SDGs as part of their Post 2015 Development Agenda, and in 2017 the 2030 Agenda was developed to include specific targets for each goal. As a purpose-driven business, we strive to contribute to as many SDGs as possible – so this list will continue to grow, as we do.





We believe that natural products are better for people and the planet. We contribute to the world's good health

and wellbeing by producing 99% naturally-derived products.



We're always trying to find ways to reduce our energy consumption and improve access to renewable

energy through our partnership with Energy Garden (see <u>pg. 18 - Partnerships</u>).



We work really hard to make Faith In Nature a rewarding place to work, where all individuals feel

valued and respected (see <u>pg. 21</u> – <u>Our People</u>).



Our efforts to reduce our environmental impact continue at pace, with energy reductions in manufacturing, increasing recycled

materials in our packaging and transitioning to a circular economy (see pg. 11 – Materials).



Our work to reduce our energy consumption and improve our energy mix continues (see pg. 4 – Impact).



We use as much recycled plastic as we can get our hands on, and our 99% naturally-derived formulations mean

that water quality is maintained (see pg. 4 – Impact).



Our partnerships are focused on regenerative agricultural practices which restore and

replenish Nature wherever possible (see pg. 16 – Partnerships).



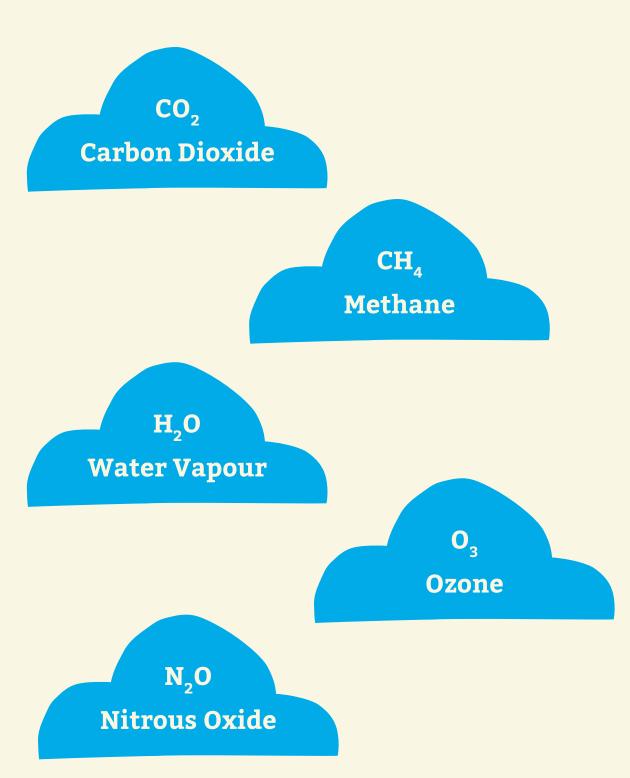
We work in partnership wherever possible to further the cause of Nature's rights (see pg. 14 – NOTB), to restore Nature (see pg. 16 – Partnerships)

and to drive change through our supply chain (see pg. 23 – Supply Chain).

IMPACT REDUCTION

Carbon

There are five main Greenhouse Gases which, collectively, are referred to as 'CO₂e' (which means CO₂ equivalent):



These gases stop our planet from cooling down, storing the Earth's heat and radiating it back to the surface. This is what is warming our planet at a rate most scientists hadn't predicted – and causing our current climate crisis. In 2015, 196 countries entered into a legally-binding international treaty on climate change. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels" (between 1850 and 1900).

Net Zero

The point at which humans no longer add to greenhouse gases in the atmosphere, to be achieved by reducing or capturing all greenhouse gas emissions.

Net Zero

In 2019, The UK Government became the first major government to set Net Zero emissions targets in law. The UK has pledged to become Net Zero by 2050. It's incumbent upon all UK businesses to make plans in line with this target.

As a manufacturing business, we have an unavoidable carbon footprint – for now. We work hard to reduce our carbon emissions as much as possible, before balancing our unavoidable Scope 1 and 2 emissions with World Land Trust (more on that later).

The Faith In Nature Sites

We have three sites in the UK, where we manufacture all our products and manage all operations:

- Dale Street: a leased office space in central Manchester, which we moved into in May 2022 (and so only features significantly in our reporting for financial year 2022-23).
- Faith House: a factory in Radcliffe, Greater Manchester.
- Higher Ainsworth: a warehouse and office, also in Radcliffe.





The Higher Ainsworth site is currently undergoing development and will eventually encompass not just our warehouse but our manufacturing and main office facilities. It will run on renewable energy and is planned to include a more efficient factory, rewilding areas and community gardens.

CARBON FOOTPRINTING

Carbon footprinting is divided into three main scopes:

- Scope 1: Carbon emitted by an organisation through activities it controls directly, such as burning fuel or using a fleet of non-electric vehicles.
- Scope 2: Carbon emissions caused by the organisation indirectly when it buys energy which cause emissions in its production, e.g. fossil fuel energy.
- Scope 3: Encompasses everything not included in Scopes 1 and 2. This is an extensive category covering 17 sub-categories, from raw material procurement to how customers use and dispose of products and packaging.

Carbon: Scopes 1 & 2

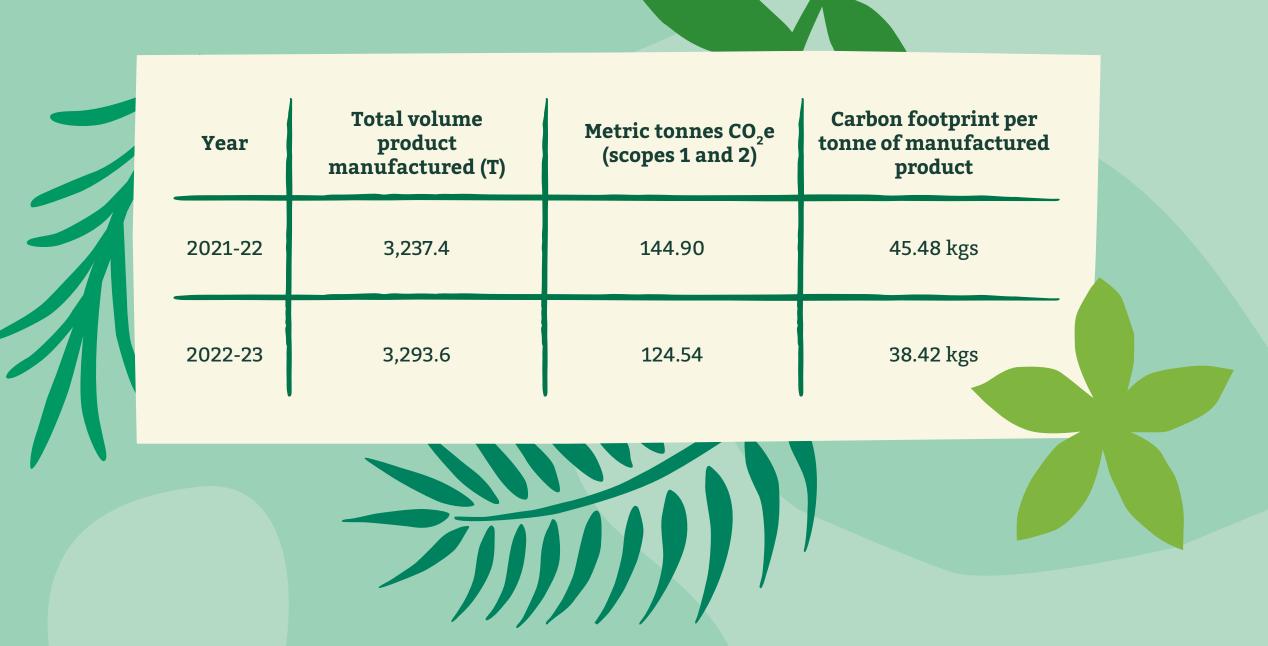
In 2022, we conducted our first carbon footprinting exercise for the financial year 2021-22, covering Scopes 1 and 2. Our Scope 1 carbon footprint in that year was 144.90 metric tonnes CO₂e. Our Scope 2 carbon footprint was 0 because we have 100% renewable energy (and have done since 2018), so we've already done a lot to reduce our carbon footprint resulting from electricity.

Our Scope 1 carbon footprint for our most recent financial year is 124.54 metric tonnes of CO₂e (this also includes the carbon emitted during the transportation of fuel to our facilities), which is a welcome 14% reduction in CO₂e year on year; meanwhile, our Scope 2 carbon footprint is still 0. We've achieved this reduction by removing diesel from our fuel mix for heating, alongside working to reduce our energy requirements with innovative manufacturing such as switching our mixing process from a hot mix to a cold mix.

Over the last year, our energy mix has changed slightly, with a 6% increase in renewable energies (solar electricity and biomass), an 11% decrease in liquid fuel consumption and a 5% increase in natural gas.

Whilst we're reducing our Scope 1 carbon emissions as much as possible, we still have some unavoidable emissions. We balance these by ensuring the same amount of CO₂e is protected in existing carbon sinks in the natural world, through World Land Trust's Carbon Balanced programme. Read more about this on page 17.

Comparing 2021-22 and 2022-23



This table compares our carbon footprint per tonne of manufactured product in our last two financial years. It shows a 15.52% decrease in CO₂e emissions associated with each tonne of product manufactured from 2021-22 to 2022-23.

Our carbon intensity for Scopes 1 and 2 (the amount of carbon emitted per £million turnover) is very low at 8.33 tonnes of CO₂e compared to World Land Trust's industry benchmark of 20.67.

FAITH IN NATURE

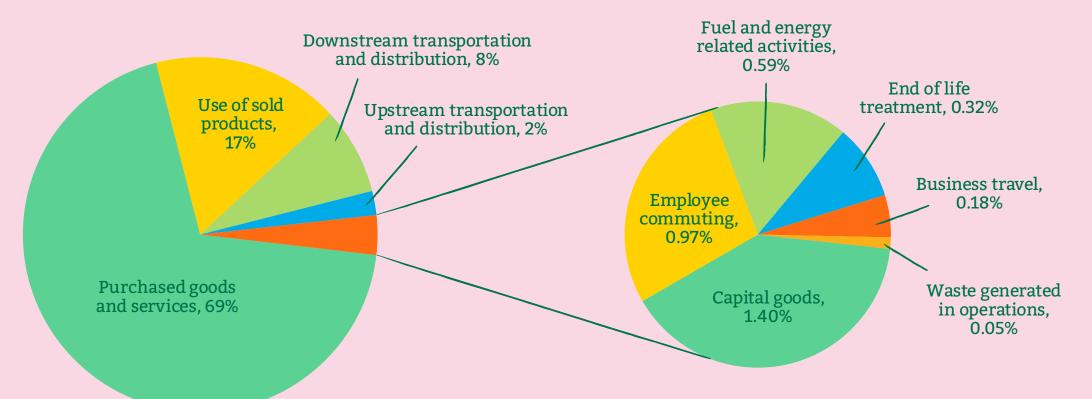
Carbon: Scope 3

We conducted our first Scope 3 carbon footprinting exercise (for financial year 2021-2022) in 2023. Scope 3 footprinting is a long and complicated process involving a lot of data collection, so the calculations for 2022-23 won't be available until later in our financial year 2023-24 (which finishes in June 2024). Next year, we intend to streamline the reporting process so that all three scopes can be reported together for the same period. In the meantime, here are the key findings from our Scope 3 calculations for the financial year 2021-22...

Our total Scope 3 emissions calculation for the financial year 2021-22 is 6,241.6 metric tonnes of CO₂e. This equates to 1.93 metric tonnes of CO₂e per tonne of product manufactured.

Taking all scopes together, our Scope 1 emissions represent 2% of our overall emissions, Scope 2 represents 0% (thanks to that wonderful renewable energy!) and Scope 3, 98%. This is due in part to the fact that all our products are used with water, which has a carbon footprint. So, we'll be working on water-reducing guidance for our customers, as well as new product development to support this. These findings have given us several recommendations to work on. We now know that almost 70% of our Scope 3 emissions sit within our supply chain, and that our solid soaps, shampoo and conditioner are much less carbon intensive than their liquid counterparts.



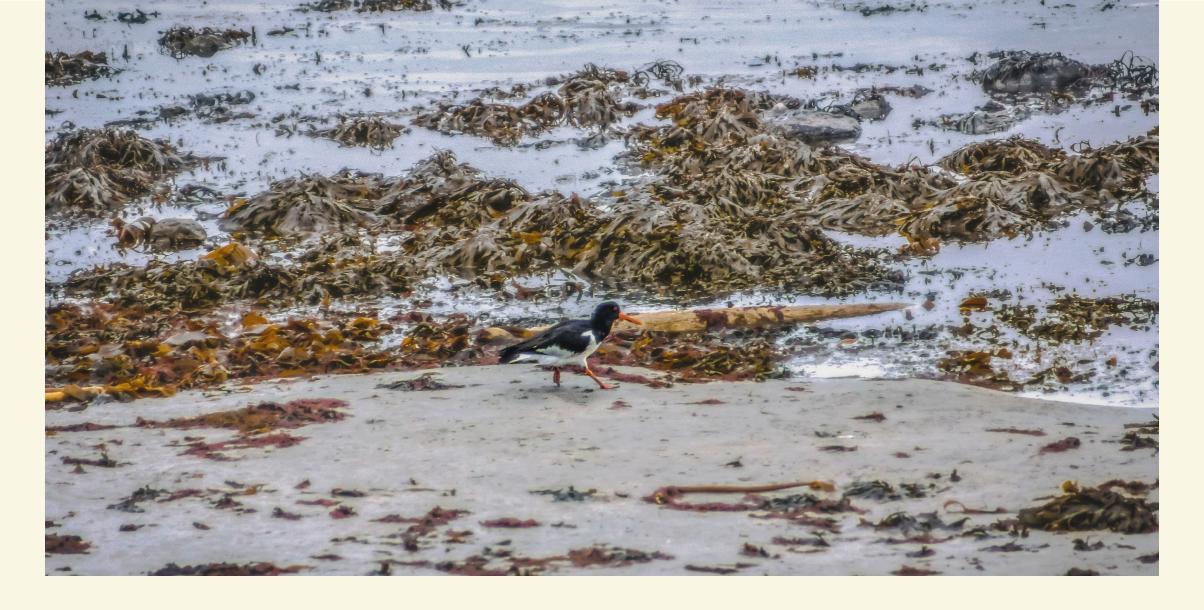




Biodiversity

We're acutely aware of our impact on the natural world and are starting work to understand the true impact of our supply chain on habitats and biodiversity. We also know that in some cases, the best materials, and ingredients we can buy still don't do enough to protect precious flora and fauna. Our approach to conserving biodiversity depends on partnership – and all our charity partnerships are with organisations selected for their unique ability to protect the natural world.

Seaweed, unlike crops grown on land, doesn't require pesticides, fertiliser, freshwater or (obviously) land. It's a fast grower – some variations can be harvested in six weeks – and absorbs carbon as it grows, some of which remains in the plant when parts are harvested. Seaweed also creates valuable new habitats for marine animals and absorbs other excess nutrients, like nitrogen and phosphorus.



We're always exploring ways to source materials from suppliers that protect the natural environment. When we ask, 'What would Nature say?' about our supply chain, we know the answer rests on regenerative farming that creates habitat, rather than destroying it. Of course, the impacts of these decisions are felt most acutely by those at the furthest end of the chain.

We're actively seeking out new suppliers who can provide ingredients with careful provenance, like our seaweed. We use Ascophyllum nodosum (otherwise known as egg wrack, amongst other names!), which is sustainably grown on the south coast of Ireland and hand-harvested, just as Rivka harvested her seaweed to make shampoo 49 years ago. And we're

particularly keen to support suppliers which can demonstrate social equity through their supply chain; the nuts that make our organic shea butter are also hand-picked, by a women's co-operative in the Ghanian Savannah. Working in this way guarantees them open negotiations on price, no child-labour and access to market for their produce.

We're also investing in partnerships with organisations like the Sumatran Orangutan Society and TreeSisters, focusing on regenerative agriculture, which replenishes the

Regenerative
Agriculture
A conservation and rehabilitation approach to food and farming systems, focused on topsoil regeneration, increasing biodiversity, improving the water cycle, enhancing ecosystems and biosequestration, and increasing resilience to

climate change.

natural world as we source from it. Currently, we're in the process of understanding the full impact of our supply chain on the natural world (see pg. 23 for more information). Our next step is to set ambitious targets which drive positive change through our supply chain, creating a Nature positive network of suppliers.

Nature Positive

Measurable outcomes that contribute to halting and reversing biodiversity loss with significant benefits to the natural world.

WE ARE A PROUDLY VEGAN AND CRUELTY-FREE BRAND, AND HAVE BEEN FOR 49 YEARS.

We are certified by the Vegan Society and Leaping Bunny. A 2014³ study found that c.100 million animals are used in research each year, which contributes to air, soil and water pollution, and triggers biodiversity concerns. Since then, the numbers have only increased. There isn't a lot of research about the comparable environmental impacts of vegan and cruelty-free toiletries compared with regular toiletries, but in general, plant-based lifestyles have a smaller environmental impact than lifestyles featuring lots of animal products. This is an area of future research for us.



Introduced by <u>The Vegan</u>
Society in 1990, the iconic sunflower symbol adorns the packaging of more than 65,000 certified vegan

products, the world over – including ours, because we've been making vegan-only products since way back in 1974.



The Leaping Bunny programme was started by an international coalition of animal protection organisations. Today, applications are managed

by <u>Cruelty Free International</u> and their international partners. The logo is issued to brands which make cosmetic, personal care, household and cleaning products that comply with the Leaping Bunny criteria. You can read more about those criteria <u>here</u>. Over 1000 companies worldwide, including Faith In Nature, are part of the Leaping Bunny family.



Water

We've spent a lot of time over the last year measuring up and compiling water data for FY2021-22:

Total reported water removed from the Faith In Nature water shed

Site name	Facility type	Fiscal year sum m³
Higher Ainsworth	Warehouse & offices	5,970
Faith House	Factory & offices	5,403
Dale Street	Offices	1
Total		11,374

Total estimated water consumed from, and released to, the Faith In Nature water shed

Process water consumed (pre-mix estimates)	2,166
Process water released (based upon pre-mix and product water contents)	3,237
Warehouse and office water released (based upon 'water in = water out')	5,971

(Please note that there's a difference between the initial water figures in last year's Impact Report and those here.

Apologies, but we made a mistake and omitted the figures for our construction site and then-new Dale Street office in that report. These figures are now included on the tables above.)

Water
Footprinting
The process of
assessing how
much water a
business has used
in a given period,

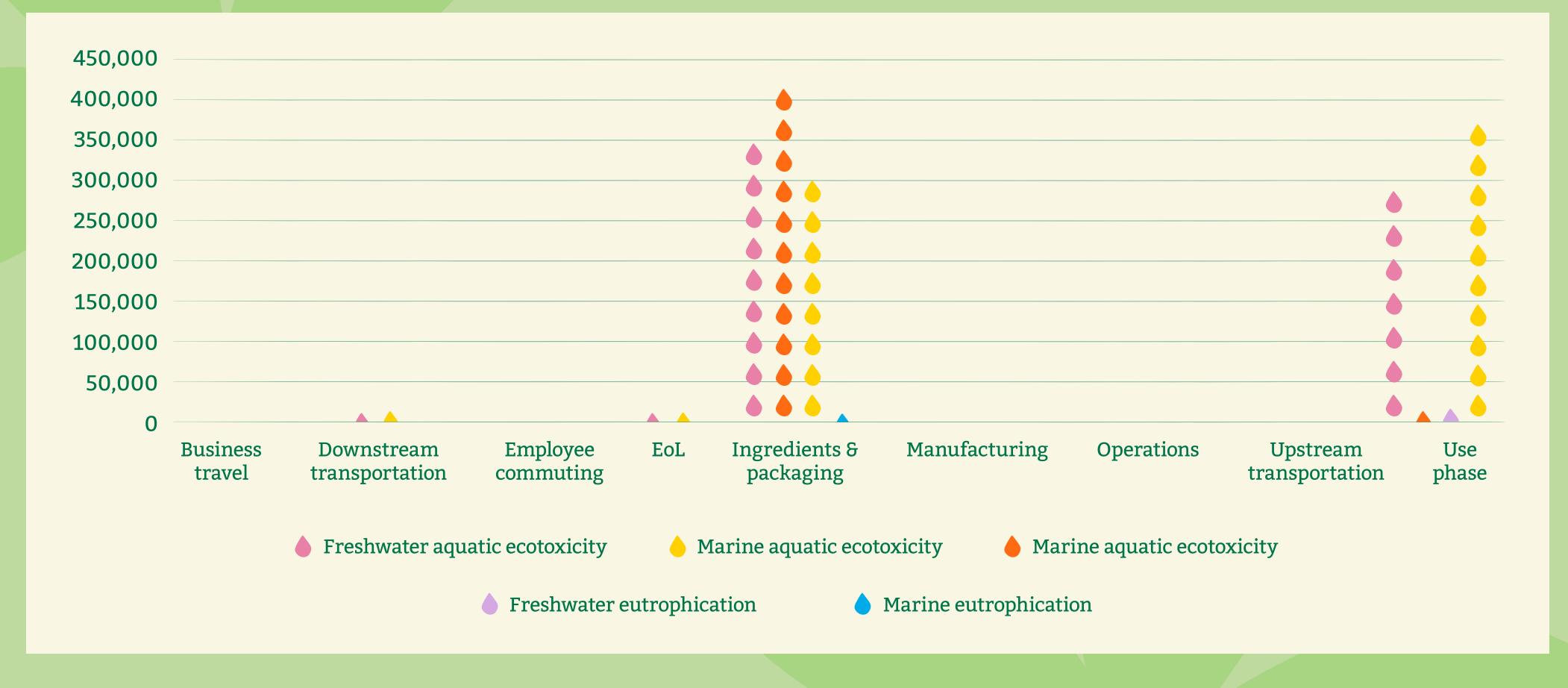
and for what.

We've also looked at what water is used throughout our product's life cycle. We found that 'Ingredients and Packaging' and the product 'Use Phase' have the highest impact. This means that the biggest impact of our water usage comes from our raw materials sourcing (product ingredients or packaging), and the use of our products.

Switching to solids would save huge amounts of water, which is why we're committed to providing a solid alternative for every one of our liquid products. However, solid products currently represent a small percentage of our sales.

Clearly, in the short term, it's a matter of ensuring our liquid products are as sustainable as possible, whilst championing our solid products for customers who've already made the switch. In 2024, our research project funded by Innovate UK will explore how we can prompt behaviour change and encourage our customers to choose solid products.





Water footprint results by Scope 3 category, 2021-22:

- "Ingredients and Packaging" and the product "Use Phase" show the highest impact on all impact categories and across all aspects of the organisation
- "Ingredients and Packaging" and "Use Phase" account for 96% of all water consumption

Total water consumption across all scope 3 categories is 433,072m³.

Materials

Earlier this year, we started using life-cycle analysis to assess our packaging, modes of delivery, sourcing, and consumption. This will ensure we're moving towards a circular economy, making the best use of the Earth's resources that are already in circulation, therefore reducing our carbon footprint over time.

We've increased the recycled content in all our primary packaging, and we're making progress. There have been lessons learned (e.g cracking in our 100% recycled HDPE 5L bottles) but we're working on it constantly and won't stop until we get it right.

Life-cycle analysis is a way of assessing the environmental impact of a product or service across its whole life – from ingredients to disposal of packaging.

7 OUT OF 10 OF OUR PRIMARY PACKAGING MATERIALS ARE 100% RECYCLED PLASTIC OR CARD.

And we're working on the remaining three: increasing the recycled content in our larger refill bottles and ensuring that our pumps are made from mono-plastic and no hard to recycle metal spring, which makes them more widely recycled.

In our 2022-23 financial year, we used 203 tonnes of plastic, 144 tonnes (or 71%) of which was Post Consumer Recycled (PCR). This compares with 64% PCR last year.

11% INCREASE IN PCR CONTENT YEAR ON YEAR.



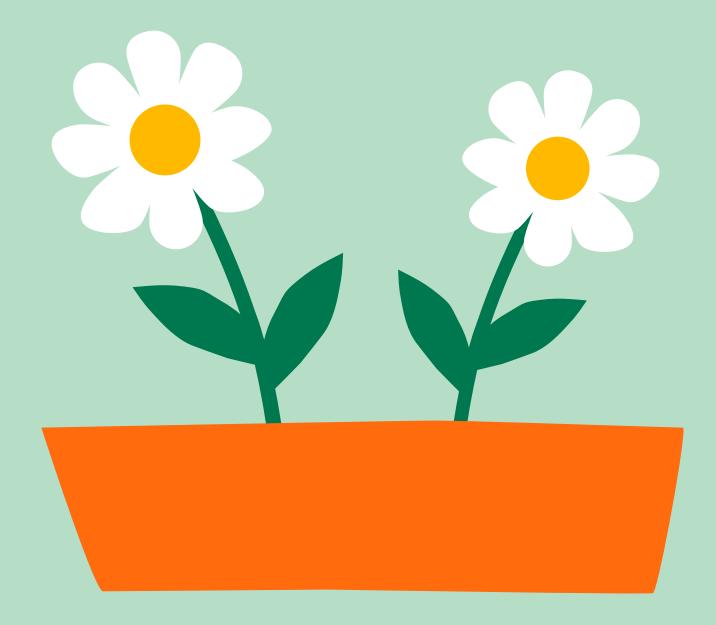
As a manufacturing business, we have complex supply chains which rely on many moving parts, and we're increasingly experiencing issues getting hold of the recycled materials we've ordered. We're facing the challenge head-on, seeking secondary suppliers that can meet our requirements and being as transparent as we can with our customers. Sometimes we have to compromise on our ambitions, but we'll always push for increasing recycled content wherever we can.

Closed Loop

We launched Closed Loop several years ago with a partner company who, it turned out, weren't doing what we thought they were with our bottles (washing and drying them before returning them to us). So, we were forced to go it alone. Since then, we've continued our freepost return service for 5l and 20l bottles. Approximately 5% of these are too damaged for us to reuse - these are recycled by our waste services provider. We're currently testing an inhouse closed loop solution which we hope to launch in the not-too-distant future. In the meantime, any bottles we don't use are recycled for use as flowerpots, benches, or new plastic bottles.

Waste - Zero Waste to Landfill

We now have five years of certificates to show for our Zero Waste to Landfill policy. Our waste plastic, paper/card, glass, electronic goods and metal are recycled with our waste management provider at a Materials Recycling Facility in Ramsbottom, and the residual waste is burnt for fuel in a Waste to Energy Facility. Whilst this means zero landfill, burning waste isn't ideal, so we're looking into additional recycling streams as we speak.



IN THE FINANCIAL YEAR 2022-2023, WE PRODUCED 99.18 TONNES OF WASTE.

COMPARED TO 103.23 TONNES THE PREVIOUS YEAR -

A DECREASE OF 3.92%

THIS COMPRISED:

RECYCLABLE CARDS & PLASTICS: 40.74 TONNES WOOD: 23.30 TONNES SCRAP METAL: 10.58 TONNES RESIDUAL WASTE: 24.56 TONNES

Targets

With so much about the Net Zero Economy still to be confirmed, many companies are having to delay or alter their Net Zero targets. If we're relying on the shipping industry to find a way of becoming Net Zero before we can, for example, should we set a target that we don't have responsibility for? We've decided to set targets when we have a plan for how to deliver at least 60% of them. And knowing that 70% of our carbon emissions sit within our supply chain, we need lots of businesses to collaborate with us, as well as government legislation and regulation to support this!

Science Based Targets

The Science Based Targets
initiative is a collaboration
between the CDP (formerly
known as the Carbon
Disclosure Project), the
United Nations Global
Compact, World Resources
Institute and the World Wide
Fund for Nature.4

Paris Agreement

The 2015 Paris Agreement saw 196 countries agree to hold 'the increase in the global average temperature to well below 2°C above pre-industrial levels' and pursue efforts 'to limit the temperature increase to 1.5°C above pre-industrial levels.⁵

GHG Protocol

GHG Protocol establishes
comprehensive global
standardised frameworks
to measure and manage
greenhouse gas (GHG)
emissions from private and
public sector operations,
value chains and mitigation
actions.⁶



Setting achievable targets is complicated and time-consuming. It involves significant planning and forecasting of sales and resources, so we're working hard to ensure plans are in place for the reductions we need to see. We'll set Science Based Targets, working with Science Based Target Initiative tools to plan how we'll reach Net Zero. These targets will be assessed and approved by the Science Based Targets initiative (SBTi), who'll certify that they're designed in line with the GHG Protocol and Paris Agreement. This will ensure that we achieve Net Zero well before the 2050 target the UK Government has set for the country.

⁴https://sciencebasedtargets.org

⁵https://unfccc.int/process-and-meetings/the-paris-agreement

⁶https://ghgprotocol.org

INITIATIVES

Nature On the Board

In August 2022, we became the first business in the world to appoint an independent representative of Nature to our Board, a model developed in partnership with Earth Law Centre and Lawyers for Nature.

Nature as Director attends every one of our Board meetings and has a voice and a vote on every Boardlevel decision made.



We're now one year on and we can already see the difference. We aren't joined in the boardroom by a tree (although it was suggested!), but we're finding ways of bringing Nature into our everyday decision-making. Read our Nature on the Board Year One Report for more in-depth information.





B Corp

In June 2023, we became a Certified B Corp – and we're delighted! B Corp is so much more than a certification for our business, it's a way of recognising our staff's hard work and telling our customers about it.



We're now part of a 7,800-strong cohort of global businesses, driving change and working to instil purpose into corporate structures, demanding an inclusive, equitable and regenerative economic system for all people and the planet. We'll provide regular updates on our progress. You can read more about our journey <u>here</u>.

FAITH IN NATURE

What is B Corp?

The B Corp certification is managed by a global charity called B Lab, whose goal is to drive change by increasing the number of businesses who are delivering a purpose as well as profit. It's about business as a force for good. The certification process involves many different people across the organisation, delving into environmental practices, community (including suppliers), governance, workers and community.



Rivka, our founder, often says

IF IT DOESN'T HELP PEOPLE THERE'S NO POINT DOING IT

From the very beginning, our purpose has been to make it easier for people to make better choices for themselves and Nature every day. We do this by reducing the impact of our products as much as possible, and by keeping our price point accessible. In response to the B Corp assessment, we now have a Sustainability Taskforce, a multi-disciplinary team

made up of staff from across the organisation including Finance, Supply Chain, Technical, HR, Marketing, Sales and, of course, Sustainability. Working collaboratively, the team are responsible for various projects including our ongoing Waste Revolution and installing Free Refill for Staff stations on every site.

Better Business Act

We're signatories of the Better Business Act, a movement that lobbies for parliament to introduce an Act requiring businesses to have a purpose in addition to creating profit. The Better Business Act is the perfect vehicle for us to support this drive for legislative change, alongside others like Tony's Chocolonely, Pukka Teas and Origin Coffee.

Restoration with TreeSisters



Through our partnership with TreeSisters, we plant one tree for every order placed on our website – equating to 8,671 trees or 3.7% of our profit in 2022-2023. We work with TreeSisters because they're not just about tree planting; they support projects across 12 global locations through a holistic approach focused on biodiversity, gender equity, community and climate resilience. Their work is also underpinned by original wisdom and a decolonised approach. Here's a closer look at the work at some of the work funded by this partnership:

The Alpha Women Empowerment Initiative and International Tree Foundation – Kasese, Uganda

This women-led, collaborative forest restoration project benefits hundreds of women and girls, while increasing climate resilience and promoting gender equality in Western Uganda.

The 90% female team has built two nurseries, planted 62,000 seedlings and propagated 25,000 trees, helping to restore vital natural resources in an area suffering from deforestation, flooding, landslides and drought. New trees planted here are intended to increase soil fertility, reduce erosion, improve biodiversity, provide food and fuel and generate income through



agroforestry. All the work, from building nurseries to carrying tens of thousands of seedlings to the planting site, is done by hand – with no modern equipment. The project trains women including widows, single mothers and vulnerable girls, in leadership development. In an area where many women are affected by inequality, exploitation and domestic violence, the positive effects are huge. "Women gain more skills," says Kamalha Annet, Extension Officer at Alpha Women. "Men are supposed to be the ones who plant trees... but we are training women how to plant them."

I AM SO HAPPY TO RECONNECT WITH MY CULTURE AND TAKE CARE OF PACHAMAMA [MOTHER EARTH]. PLANTS ARE VERY IMPORTANT, THEY ARE LIFE. WE ARE VERY GRATEFUL.

says Maria Zarate, a member of the Tuctapari community.

Voix Libres, Voces Libres – Potosí and Cochabamba, Bolivia

This project empowers vulnerable women and children through reforestation and fruit tree planting in an area severely impacted by forest fires. 312 fires have been reported in Tunari National Park in less than seven years, and in 2021, two large fires destroyed over 850 hectares of forest, impacting the many local women who depend upon agriculture for survival. To date, the 90% women and 95% Indigenous planting team have planted 16 hectares of new forest across 27 different communities. The project provides training in agroforestry, environmental protection and social ecology, as well as schooling for children.

Agroforestry
Simply put,
'agroforestry' is
a combination of
agriculture and forestry
- it's a land management
methodology focused
on the planting of trees,
shrubs and hedges
to promote healthier
soil and higher yields,
as well as providing
ecosystems for many
keystone species.

Carbon Balanced with World Land Trust



Many businesses say they're 'carbon neutral', but we're 'Carbon Balanced'.

We believe this is a more transparent description of the process; we haven't cancelled out or neutralised the unavoidable carbon we've released into the atmosphere, we've balanced it by ensuring the same amount is secured in Nature.

We do this through our partnership with World Land Trust (WLT), who believe in the same transparency.

Carbon Balanced

2022 was an incredible year for the WLT Carbon Balanced programme, with supporters, including a growing number of businesses, collectively balancing 199,179 tCO₂e – equivalent to taking 107,840 average cars off the road. In one year!

We contribute to WLT's Carbon Balanced project in Guatemala, a country that loses an average of 180,000 acres of forest every year. Our investment helps WLT protect

316,000 acres of tropical forest, equating to over 73 million trees.

These standing forests are ancient ecosystems and natural carbon sinks, which means they store carbon – not just in the trees themselves, but deep underground, in soil and water. When forests like these are felled, the long-sequestered (locked-away) carbon is released into the atmosphere. WLT partner FUNDAECO's protection of the land keeps these huge stocks of carbon sequestered in the forests.

The project also helps communities and Indigenous groups: improving access to healthcare and education for women and girls, developing sustainable livelihoods for farmers and fishermen, and creating employment through ecotourism.

Plus, protecting the Conservation Coast of Guatemala safeguards important breeding areas for vulnerable species like jaguar, Baird's tapir and West Indian manatee.

"We are delighted to be part of Faith In Nature's sustainability journey and to have their commitment to our Carbon Balanced programme," says Tracey Butler, Corporate Partnerships Manager at WLT. "Through contributions as part of their journey to net zero, Faith In Nature is also helping WLT and our local conservation partner FUNDAECO safeguard and protect crucial coastline habitat in Guatemala."

In WLT, we've found the perfect partner to help us continue our goal of restoring and rebuilding our relationship with Nature.

As Sir David Attenborough, a patron of WLT, says: "The money that is given to the World Land Trust, in my estimation, has more effect on the wild world than almost anything I can think of."

FAITH IN NATURE IS ALSO HELPING WLT AND OUR LOCAL CONSERVATION PARTNER FUNDAECO SAFEGUARD AND PROTECT CRUCIAL COASTLINE HABITAT IN GUATEMALA.







Solar energy with Energy Garden



We've been powered by
100% renewable energy
since 2018 for two reasons: to reduce
our carbon footprint and to support the
renewable energy sector, which needs
significant investment if it is to phase
out fossil fuels. This year, we decided our
investment in renewables needed to do
more than just support the energy industry
– so we partnered with Energy Garden.

Energy Garden is a Community Benefit Society whose mission is 'to provide a solution to the most pressing social and environmental challenges facing society including climate change, biodiversity loss and social inequality.' Their objectives are to enable people to invest in renewable energy generation, create vibrant green spaces in urban environments, improve air quality and biodiversity, promote health and wellbeing, and empower communities and young people to take climate action. All very good stuff!

In March 2022, Energy Garden launched the first community-owned solar project on the UK rail network, and since then they've gone from strength to strength. We began our new partnership with them in May 2023. Like other purpose-led businesses Patagonia and Pukka Herbs, we now purchase renewable energy generated by Energy Garden's community-owned solar projects. Not only does this provide a financial return to Energy Garden's members, it supports their community engagement and environmental programmes.

So far in 2023, Energy Garden has maintained a network of 5,500m2 green space at nearly 20 community gardens across the London Overground and Underground, working with 50 community groups to deliver 347 sessions and over 1800 volunteer hours. They also deliver youth training and school workshops. To date, they've raised over £1.1m of community shares investment, with members receiving a 5.5% annual share interest payment.

Our energy is provided by surplus energy exported from Energy Garden's solar systems in Govia Thameslink Railway's train depots in Streatham and Bedford. We believe that people who spend time in Nature grow to love it and want to protect it. Through our partnership with Energy Garden, we're not just using clean energy, but helping communities get closer to Nature.

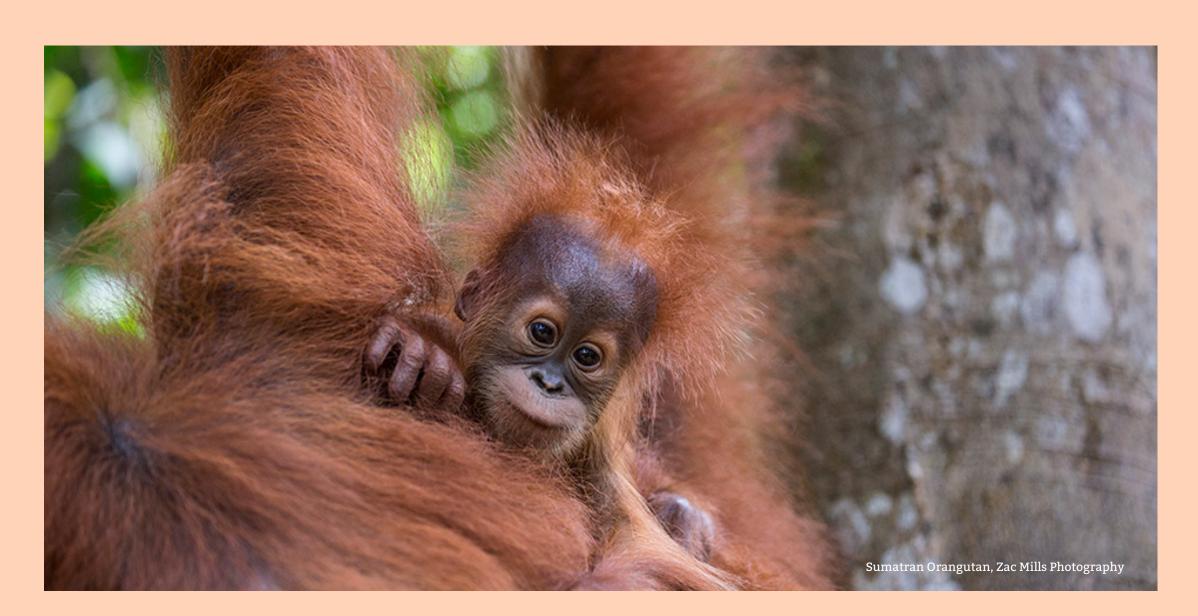
Seeking a Palm Solution with the Sumatran Orangutan Society

Our products use 16 ingredients that are derived from palm oil, all of which are certified by the Roundtable on Sustainable Palm Oil (RSPO). We know that palm oil is a very divisive issue, and that some companies avoid it in favour of alternative oils such as coconut or flax. But there's no easy solution here, because palm oil remains the most efficient oil crop to grow per acre. So, if we (and other brands like us) switched our palm-derived ingredients for alternatives, without proper conservation practices in place, even more pristine, biodiversity-rich landscapes could be destroyed.



It may be surprising, but there isn't anything inherently wrong with oil palm as a crop; it's the way that humans often grow it that's the problem. Nature suffers when mono-culture oil palm plantations destroy and replace natural habitats, rely on toxic fertilisers and use noxious pesticides. It's poor agricultural practices like these that have damaged biodiversity across the globe – and resulted in palm oil's bad reputation. But thankfully, it doesn't have to be this way...

Our partnership with Sumatran Orangutan Society explores the potential

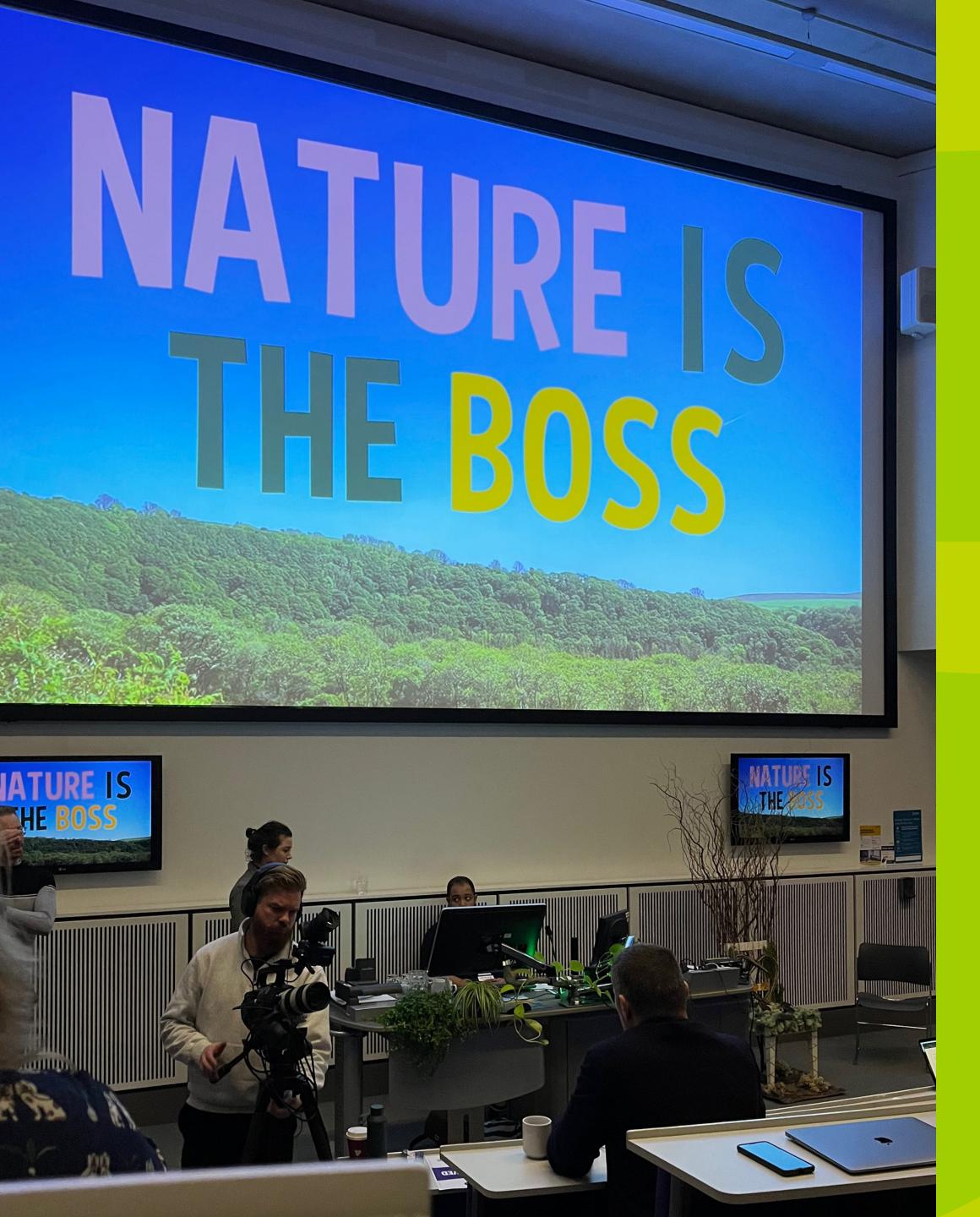




for regenerative oil palm agroforestry as a solution. We're working in collaboration with forest-edge farmers and frontline conservation partners in the critical orangutan landscapes of North Sumatra, at the edges of the Leuser ecosystem. We hope this innovative approach will improve outcomes for biodiversity and for communities.

Retrofitting small-holder oil palm plantations with a careful mix of native plants to provide benefits for the ecosystem and the local economy can help Nature recover, farmers prosper, and orangutans and other precious wildlife thrive into the future. It's early days, but we're delighted to be a founding partner on this innovative project, seeking to drive change, do the best thing for the natural world through our supply chains – and fix the problematic production of palm oil for good.

Roundtable on
Sustainable Palm (RSPO)
The RSPO is a body seeking to improve the supply chains for sustainable palm; its membership includes growers, traders, investors, environmental and social NGOs, and companies that make or sell products containing palm oil.



Partnerships with Universities

We love sharing what we're learning about how to live lightly on the planet and bring Nature into our decision-making. We've partnered with some of the UK's greatest universities to do this, as well as some further afield...

Brunel University

We're working with the UK's Circular
Metal Hub at Brunel University, helping
them refine business model design tools
for companies transitioning to the circular
economy. We hope this work will support a
new generation of purpose-led businesses
seeking to find ways to reduce their
environmental impact through the circular
economy.

Manchester University

We've been funded by Innovate UK (the UK Government's innovation funding service) to explore new plastic-free packaging materials, which we're doing in partnership with Manchester University.

There are so many exciting options for carbon-reduced source materials in development, from hemp to seaweed. We're delighted to be working with Manchester University and a local product designer to understand whether these new materials will work for us, and for the planet.

Sydney University

Our ground-breaking initiative Nature on the Board has shifted what was thought to be possible under UK Corporate Law – and it's made waves which have been felt on the other side of the planet. Sydney University is conducting a study on the effects of having Nature on the Board of Faith In Nature, in a three-year study that will culminate in a research paper featuring interviews with many of our staff. It will chart the progress of Nature on the Board as a movement and will look specifically at the differences that have been made as a result of this change to our Governance structure.

COMMUNITIES

Planeteers

Everyone who works here has an interest in Nature, but none more so than The Planeteers, our in-house Activists! With membership from across the organisation, this volunteer backbone of the business gives time to community-focused events, ranging from beach cleans in Blackpool to soap giveaways on the streets of Manchester.

In Kind Direct
Since 2014 we've partnered
with In Kind Direct to
distribute our products to
charity partners across the
UK. Through In Kind Direct,
we've donated 44 pallets of
stock (including 8,280 bars
of soap!) to families in need
who deserve to keep clean,
safe and well, no matter
what their circumstances.



Staff Forum

Our Staff Forum meets quarterly to discuss issues staff feel strongly about. Attended by representatives of different teams across the business, as well as by the Managing Director, it covers a wide range of subjects such as shift patterns, pay reviews and training requests. Requests from the Staff Forum are treated very seriously by the leadership team and often result in new ways of working and improvements across all three sites.

Our People

We want Faith in Nature to be a workplace where every individual feels valued for their specialist skills and expertise,

and empowered to utilise these skills at work. To ensure that we are providing employment opportunities equitably, we conducted our first Equality, Diversity & Inclusion survey in 2022, and we'll continue to monitor the nine legally protected characteristics going forward. Many of our staff come from the local community in Radcliffe, Greater

Manchester and we're proud of the employment opportunities we provide here.

Also in 2022, our Senior Leadership team undertook a review of our Equality, Diversity & Inclusion policy and procedures, working with an ED&I expert. Through group interviews with every level of staff, we gained valuable insights into how working at Faith In Nature feels for our staff. Overall, the feedback was very positive, with staff feeling valued and accepted in the workplace. We have some staff who have been with us for 20 years, so we must be doing something right! But there are always ways to improve, and we have a set of recommendations to address over the coming year: things like additional policies and staff benefits, a more formal induction process for new starters, and further improvements to our internal recruitment process.





STAFF AGES RANGING FROM 20 TO 64

REAL LIVING WAGE EMPLOYER SINCE 2021

66% OF EMPLOYEES UTILISING FLEXIBLE WORKING.



We're fully committed to diversity throughout the business with a 63% female workforce (including a 63% female Board) and staff ages ranging from 20 to 64. We have a broad range of ethnicities and backgrounds represented within our workforce (which is currently 87% White British) and will continue to focus on developing this to ensure more ethnic diversity throughout the business and on our Board. We've been a Real Living Wage employer since 2021 and we're committed to continuing this for our staff as we face unprecedented cost of living crises around the globe. In addition, we give staff a small contribution to their family celebrations over the Christmas break.

We have an Employee of the Month award which regularly receives over 30 nominations, all shared at monthly team briefs so individual team members are celebrated across the organisation. Parttime roles and flexible working patterns are offered throughout all departments, with 66% of employees utilising flexible working. In 2021 we introduced an early finish on Fridays for all employees. We also offer enhanced healthcare cover to all staff, including part-time staff members; this includes mental health support and holistic therapies.

Suppliers

We now know that 70% of our Scope 3 carbon footprint sits within our supply chain, so we've launched a project to work with our suppliers on reducing their impacts on the natural world. It's about driving change, forging a Nature-positive supply chain and enhancing our collective commitment to improving our relationship with Nature. We're prompting suppliers to improve their sourcing practices and reduce their impact on their environment with the following objectives:

Practices
Our aim is to both minimise our ecological footprint and actively contribute to the restoration and enhancement of ecosystems. Through innovative, sustainable sourcing practices, we envision co-creating a supply chain that has a net positive impact on Nature.

Empower Our Suppliers

The success of this endeavour lies in a collective effort, so we're committed to providing our valued suppliers with comprehensive tools, resources and expertise to enhance their ethical performance.

Promote Community
Engagement
Our project extends beyond the boundaries of our business; we

recognise the profound impact that our operations have on local communities. By promoting fair working practices, community engagement, and social responsibility, we aim to create a ripple effect of positive change beyond our immediate supply chain.

Embrace and Encourage Transparency and Collaboration

Open communication and collaboration are key to the success of this project. We will maintain transparent reporting on our progress, challenges and successes. Through regular dialogues, workshops and knowledge-sharing sessions, we envisage a long-lasting environment of mutual learning and growth.

We now require all new suppliers to sign up to a Code of Conduct which includes a commitment to stamping out modern slavery and honouring progressive rights for workers. Suppliers must also complete an initial Social & Environmental Impact Assessment aimed at understanding what key impact indicators our suppliers have targets for, and are able to track, monitor and report on.



Our work collaborating with suppliers to reduce our impact on Nature is lead by our Nature Positivity Lead, Sarah Levine.

INITIAL FINDINGS ARE AS FOLLOWS:

ENERGY: 100% OF OUR SUPPLIERS HAVE SHIFTED TOWARDS RENEWABLES WITHIN THEIR ENERGY MIX.

NET ZERO: NONE OF OUR SUPPLIERS HAVE NET ZERO TARGETS YET.

CARBON NEUTRAL: 75% OF OUR SUPPLIERS HAVE TARGETS TO BE CARBON NEUTRAL BY 2040.

COMMUNITY: 20% OF OUR SUPPLIERS HAVE A RELATIONSHIP WITH LOCAL COMMUNITIES IN THE PLACES WHERE MATERIALS ARE SOURCED

BIODIVERSITY: 20% OF OUR SUPPLIERS HAVE BIODIVERSITY TARGETS.



Following this initial discovery phase, we'll be working with individual suppliers to develop their action plan to improve their own supply chain practices. This will include tailored guidance to assess and improve specific environmental and social practices and promoting responsible sourcing and production methods.

Over the course of this three-year project, we aim to support 15 suppliers in developing their plans for attaining Net Zero, and in creating Nature positive targets for improving biodiversity. We'll be reviewing the success of this project and adding new suppliers to the list of those we are working with on an ongoing basis.



