



2022 Impact Report

Introduction

We're building a responsible and sustainable business that cares for our community and our planet. We're constantly challenging ourselves to improve our impact, lessen our footprint, and embody our company mission — every year and every day. Here's a rundown of where we are, and where we're headed.

Our Mission

We believe that making exceptional products lets our customers feel a little bit more happiness and ease throughout their day. We also believe that building a successful and responsible business is the best way we can take care of our employees, our community, and our planet.

EMPLOYEES

We're a passionate group of people trying to make some great clothes and have some fun along the way. In order to do that, we ensure our employees feel supported, respected, and excited.

COMMUNITY

We pride ourselves on treating the customer like our friend, and we aim to include our local communities however we can to bring more ease and fun into the world.

PLANET

Supporting our planet is a big job, and we're up to the challenge. This means continually improving our environmental impact, innovating the way we source materials, and reducing waste.

2022 Impact Highlights

Environmental, Social and Governance (ESG)

Environmental

MATERIALS

Our goal is to maximize our use of fabrics that minimize our environmental impact and eventually, use only completely recycled or sustainably sourced materials. In the past 10 years, we've custom-developed over 100 fabrics — using recycled and sustainable materials whenever possible. Each year, we've converted more and more of our fabrics to, recycled, regenerated, or renewable materials, including: recycled poly, recycled nylon, upcycled cotton, organic cotton, TENCEL™ Lyocell, TENCEL™ Modal, linen, RDS down, recycled cotton, and hemp.

RE-SPUN™

We are committed to keeping as many textiles out of landfills as we can through our Re-Spun program. Here's how it works: after collecting and sorting pre-loved tees, we send them to a partner who either upcycles the material into new yarn, or downcycles into housing insulation or for other end markets.

The first step of Re-Spun focuses on collecting and recycling t-shirts donated by our community. We have two ways to collect old t-shirts for recycling: there are Re-Spun mailboxes in all our retail locations where our community can come drop tees off, or we offer free mail-from-home Re-Spun recycling kits. As of the end of 2022, we have collected more than 575,000 tees since program inception. By the end of 2025, our goal is to become 'T-Shirt Neutral', collecting at least as many used tees as we sell.

The shirts collected are then sent to our recycling partners, who turn the old tees into Re-Spun recycled fabrics. For tees our partners are unable to recycle, we find other end uses for the broken-down fabric – such as housing insulation, fishing nets, and more.

Another part of our Re-Spun program focuses on our commitment to use recycled materials across our product entire line. The Re-Spun stamp encompasses any product that is made with 30% or more recycled materials. This includes the Re-Spun recycled cotton that we source from our tee collection and recycling program, as well as recycled materials sourced from elsewhere, for instance, recycled polyester and recycled PET. In 2022, we used 29 different Re-Spun fabrics, versus 26 in 2021. In 2023, we're striving to increase the number of Re-Spun fabrics across our product lines.

OUR SUPPLY PARTNERS

Our supply chain is built on strong partnerships with ethical manufacturers. We hold our partners to the highest accountability standards in the industry; 100% of our manufacturing partners must agree to our [Vendor Code of Ethics & Conduct](#) and use reputable third-party audits like WRAP, Intertec, SMETA, or BSCI.

Our manufacturing partners include:

- Golden Green (United States & Guatemala)
- Hangzhou Jiusong Trading Co. (China)
- Jiangsu Itorch Trading Co. (China)
- Madras Trading Corporation (India)
- Merry Trade Limited (China)
- Pacific Continental Clothing (United States)
- Pacific International Trade Company (China)
- Sincere Garments (China)
- TH Fashion Limited (China)
- Toprak Textiles (Turkey)

Our non-manufacturing supply partners include:

- Arandell (USA)
- Envelopespot (USA)
- Mochila Fulfillment, LLC. (USA)
- New Store, Inc. (USA)
- NNR Global Logistics USA Inc. (USA)
- Ramp Logistics (USA)
- Navegate, Inc. (USA)
- Clearfreight, Inc. (USA)
- Howlett, Inc. (USA)
- Regency Packaging DMCC (UAE)

Social

As our business continues to grow, we are able to make more meaningful contributions back to our community and raise awareness about causes we care about. We do this in part through our Giving Tee initiatives, matching community donations, and donating directly to causes dear to us.

GIVING TEES

Our Giving Tee initiative started in 2018. Each year, we partner with various charities that are close to our hearts to make limited-edition, custom-designed, absurdly soft graphic tees. \$15 from each shirt goes directly to the partner organization. Since 2018, we've sold over 11.1k Giving Tees, and donated over \$170k to partner organizations. The four organizations we partnered with in 2022 to create Giving Tees included, SF LGBT Center, Protect Our Winters (POW), the Headlands Center for the Arts, and the League to Save Lake Tahoe.

Listed below are some of the organizations we make financial or in-kind contributions to:

- Austin Pets Alive
- Baystate Franklin Medical Center: Wheeling for Healing
- Birmingham AIDS Outreach (BAO)
- Boulder Creek Recreation & Park Foundation
- Christian Family Care
- The Commonwealth of Massachusetts Executive Office of Health & Human Services Department of Mental Health
- Community Action Partnership of San Luis Obispo County
- Covenant House NOLA
- Delancey Street South Carolina
- Delivering Good
- Dental Emergency and Mutual Aid Fund
- Eckerd Connects
- El Dorado Community Foundation
- Hope Vibes
- I Grow Chicago
- Jose’s Closet
- League to Save Lake Tahoe/Keep Tahoe Blue
- Lotus House Thrift Chic Boutique
- Lupus Foundation of America
- National Federation of the Blind through Greendrop
- Newhouse
- NFG Lavender Youth Recreation Center (LYRIC)
- NFG TGI Justice Project
- Oaklash
- Office of Philanthropy — Legacy Health
- The Other Side Academy
- Out of the Closet
- Rancho Coastal Humane Society
- Safehouse Outreach
- SF LGBT Center
- Shared Bread
- Sierra Club
- The Spectrum Center
- St. Anthony Foundation
- Star House Columbus
- St. Vincent de Paul Georgia
- Sunrise Children’s Services
- Teen Challenge NorWestCal Nevada
- USTA Northern California
- Volunteers of America Colorado Branch
- We Are Family Charleston
- The Women’s Home
- World Relief Seattle
- Youthcare

COMMUNITY PARTNERSHIP HIGHLIGHTS

Protect Our Winters

This year, we partnered with Protect Our Winters for the fifth time. Founded in 2007 by pro snowboarder Jeremy Jones, POW is on a mission to help outdoor enthusiasts protect the places we love from climate change. In 2022, we collaborated with POW and created a custom-designed Giving Tee. We sold 315 tees, donating \$15 per tee sold.

Delivering Good

Throughout the year, we partnered with Delivering Good in San Francisco. Delivering Good has a mission of offering hope, dignity, and self-esteem to at-risk children, families, and individuals impacted by poverty and tragedy. Delivering Good works with approximately 300 companies across industries to collect donations for its more than 500 community partners. In 2022, we donated over 27,000 items of clothing to Delivering Good to be distributed to the organization’s non-profit partners. Beneficiary organizations of our donations through Delivering Good were Garden Grove Assembly of God, Second Harvest Mountaineer Food Bank, Hands in Service, and Jehovah Jireh Outreach.

CUSTOMER SATISFACTION

We also strive to care for our customers as best we can. Our customers’ experience is core to how we measure our success. One measure is our Net Promoter Scores (NPS). NPS is a metric used to indicate customer satisfaction based on customer responses to a survey question: “How likely are you to recommend Marine Layer

to a friend?" From this response selection, customers are grouped into promoters, passives, and detractors. NPS scores are on a -100 to 100 scale. A score of 0 is considered good, over 20 favorable, over 50 excellent. A score of over 80 is considered world-class. In 2022, our average NPS was 83, which puts us in the 100th percentile compared to others in the retail industry. We consistently perform in the world-class category, with scores of 82 in 2021, 83 in 2020, and 84 in 2019.

Governance

BECOMING A B CORP

In 2021, we converted our corporate structure to a Public Benefit Corporation (PBC). A PBC has an increased legal commitment to benefiting the community through its company mission, actions, and transparency. A PBC is further committed to formally considering stakeholders in decision-making. Stakeholders are those impacted by the decisions of the company. These include the company's employees, communities, and the environment.

We are excited to share that we officially received our B Corp Certification in December 2022, with a score of 82.5.

BOARD OF DIRECTORS

Part of our governance structure at Marine Layer is our Board of Directors. The board meets throughout the year to discuss key strategies and results for the company and provides insight and guidance to company leadership. Our board members are:

Michael Natenshon

- Founder and CEO at Marine Layer
- Board member since 2009

Anthony Choe

- Founder and Managing Partner at Provenance
- Board member since 2018

Adam Lynch

- COO at Marine Layer
- Board member since 2010

Anton Romash

- Principal at Provenance
- Board member since 2018

Jim Harris

- CEO at Olukai
- Board member since 2014

Nancy Green

- Former President and CEO at Athleta and Old Navy
- Board member since 2023

David Viniar

- Former CFO at Goldman Sachs
- Board member since 2015