



2023 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, reduce 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 to take care of our employees, community, and 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 to 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.

2023 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. We launched Re-Spun in 2018 as a first-of-its-kind t-shirt take-back program. Through it, we are committed to keeping as many textiles out of landfills as we can, and to buying back upcycled yarn from our yarn collection and processing partners through our Re-Spun program.

In early 2024, we launched a new and improved version of the program with our Re-Spun Take Back Bag. Here's how it works: we now sell a \$20 Re-Spun Take Back Bag, either online or in-store, through our new partner 4Days. In exchange, customers receive a \$40 reward to be used in any Marine Layer store, or online. Rather than only accepting old tee shirts through our old program, customers can now send back any textile items — pants, sneakers, old socks, curtains, towels, you name it! With the Re-Spun Take Back Bag, we can now recycle upwards of 15 lbs of clothing per donation, rather than only 3 lbs through our prior program. 4Days then sort through the clothing sent in. Through this process, they identify garments that can be cleaned and resold, recycled into refreshed yarn, or down-cycled into things like housing insulation and filling for dog beds, among other end markets.

As of the end of 2023, we have collected more than 670,000 tees since our Re-Spun program inception. Moving forward we will report on pounds of clothing recycled, as we now collect and recycle so much more than just tee shirts.

Another part of our Re-Spun program focuses on our continued commitment to use recycled materials across our entire product line. The Re-Spun stamp encompasses any product that is made with 30% or more recycled materials.

In some cases, this includes the Re-Spun recycled cotton that we source from our old tee collection and recycling program, and will continue to collect from our revamped program. In others, it includes yarns made from recycled materials sourced from elsewhere, for instance, recycled polyester and recycled PET. In both cases, our purchases support a move towards a fully circular ecosystem, where all clothes are diverted from landfills and the market for recycled yarns is healthy and robust.

In 2023, we used 37 different Re-Spun fabrics, versus 29 in 2022, and 26 in 2021.

Moving into 2024, 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)
- Midland Paper Company (USA)

Social

As our business continues to grow, we can 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 sold goes directly to the partner organization. Since 2018, we've sold over 11.7K Giving Tees and donated over \$180K to partner organizations. The organizations we partnered with in 2023 to create Giving Tees included SF LGBT Center and Sweetwater Music Hall.

Sweetwater Music Hall

Established in 1972, the Sweetwater was a small, local bar frequented by the Bay Area's rock legends. Artists that normally filled stadiums could let their hair down and kick back. Back in 2013, the nonprofit was reopened and continues to serve over 20,000 community members through local events and performances.

SF LGBT Center

The SF LGBT Center is a vibrant hub in the heart of our hometown, dedicated to supporting and empowering the LGBTQ+ community. Offering a wide range of programs and services, including counseling, career development, and advocacy, the center provides a welcoming space for individuals of all identities to thrive and connect.

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

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, and over 50 excellent. A score of over 80 is considered world-class. In 2023, our average NPS was 84, 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 83 in 2022, 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.

In December of 2022, we officially received our B Corp Certification, 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

Adam Lynch

- COO at Marine Layer
- Board member since 2010

Jim Harris

- CEO at Olukai
- Board member since 2014

Anthony Choe

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

Anton Romash

- Principal at Provenance
- Board member since 2018

David Viniar

- Former CFO at Goldman Sachs
- Board member since 2015