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Founder's Letter

Welcome to our second annual Sustainability Report detailing our progress across environmental and social impact over the last 12 months. We worked hard throughout 2023 to continue advancing the positive impact we can have on the world, as well as to reduce any negative impact. We are excited to share our progress with you!

In addition to this, we have been developing our longer-term Environmental, Social and Governance (ESG) strategy and are excited to share our roadmap in this report which provides a reference point and framework through which to guide our work in the coming years. The intention is for this to help hold us accountable for our ongoing impact as a business.

As we continue to evolve, our aim is to advocate for a fairer fashion and retail industry through empowering our community of brands to be the next generation of ESG leaders and innovators in the space. You will see much of our strategy is centred around education and supporting our brands in improving their practices when it comes to sustainability and ethics. Whether it is switching to more responsible materials, implementing social impact initiatives or considering the carbon impact of products, there is a lot of critical work to be done.

We are in the unique position of being able to use the collective influence of our community of brands to push for positive change across the industry. Lots of small ripples can create a big wave and as well as making improvements to Wolf & Badger itself, we are also encouraging all of our brands to implement more sustainable practices in each of their individual businesses to create a larger overall impact and to change opinions and behaviours. We believe small businesses can lead the way when it comes to responsible business practices, and we aim to do everything we can to help support and drive this.

I hope you enjoy diving into this year's report and learning more about what we are working on.

George Graham, CEO and Co-Founder Wolf & Badger







Our Purpose

Our purpose is to build a community of ethical brands and conscious consumers who positively impact the world together.

OUR BRANDS

As a certified B Corp, our mission is to enable ethical brands from around the world to connect with conscious consumers everywhere.

Our vision is a future in which every element of retail is fair and frictionless for everyone.



Our Brands

Our brand community is diverse and we are proud to stock brands from over 70 countries.

This map shows the top 5 countries our brands are based in:

United Kingdom

USA

Turkey

Australia

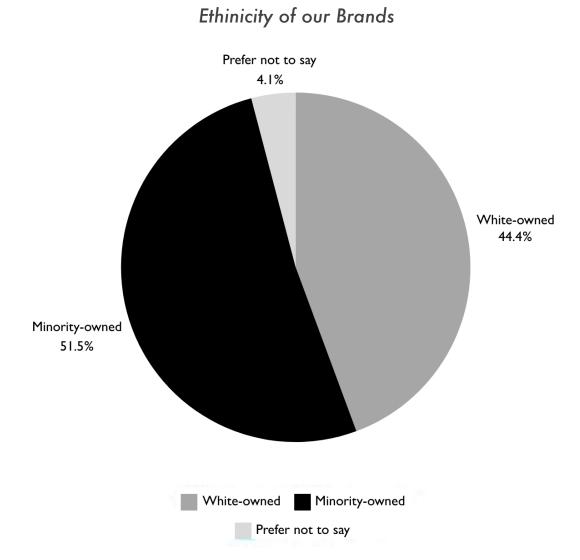
Romania

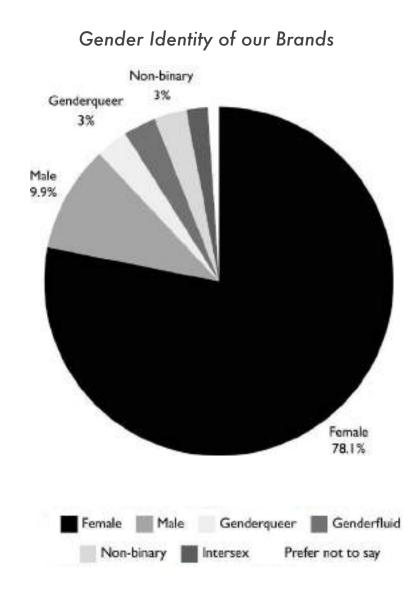


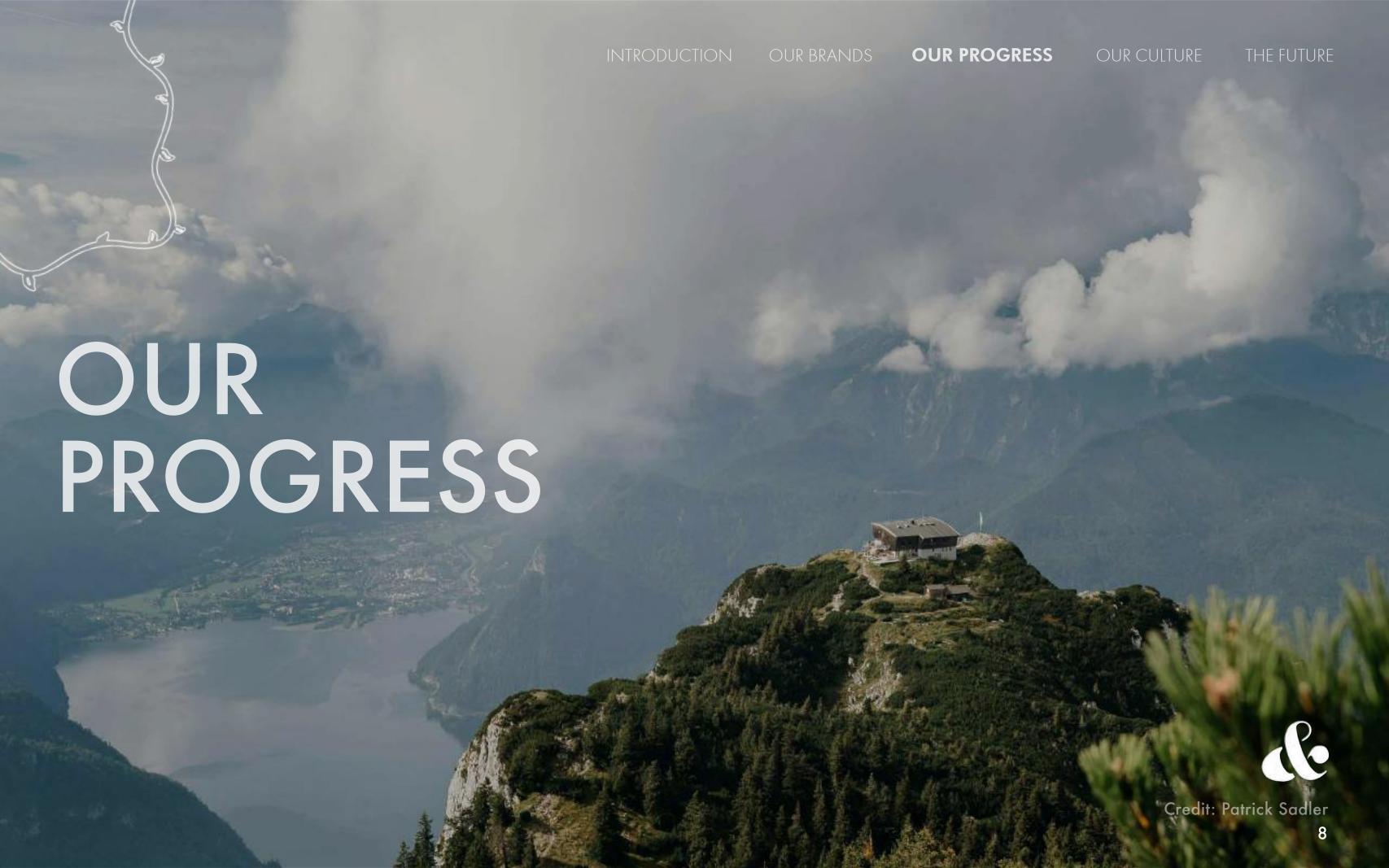
Diversity of our Brands

Over 50% of our brands identify as being from an ethnic minority group.

80% of our brands identify as female with a further 9% identifying as other gender expressions outside of male / female.







Goal 1: Vet all brands

We achieved:

- 1,100 brands and 3,900 guarantees vetted in 2023
- Launched updated guarantees with new names, icons and attainment criteria
- Increased our vetting capacity by 80% with our new evidence submission process



How Did We Achieve This?

Our Guarantees are critical to our ESG strategy. They celebrate the fact that our brands put people and the planet at the centre of their business models. The framework also allows our customers to filter products based on the Guarantees that matter to them most, making it easier to shop responsibly.

OUR BRANDS

We have been working hard during 2023 to ensure every brand has selected the relevant Guarantees and submitted supporting evidence. We've made steady progress on our goals through operational and efficiency improvements.

In August, we re-launched our Guarantees framework with new names, icons and vetting criteria alongside an entirely new evidence submission process.

The Updated Mandatory Guarantees:

These are our two mandatory guarantees, all brands must attain:



Happy Worker

Happy Worker: Workers are paid at least the national minimum wage and the brand is transparent in disclosing all their direct suppliers. The worker's labour rights are respected; no child labour or human trafficking is involved in the production of the collection; the manufacturer is compliant with all local health and safety regulations.



Independent Brand

Independent Brand: All brands are independently owned by the designer themselves.



The Updated Ethical Leaders Guarantees



Charitable Donation



Responsible Packaging



Preferred Animal Materials



Carbon Reduction



Cruelty Free



Natural Materials



Organic



Re/Upcycled Materials



Non-toxic Dyes



Skilled Artisan



Vegan



Ethical Leader

Why did we update our Guarantees?

It has been three years since we launched our award-winning Guarantees. Since then we have reevaluated our framework where we sought to align with ESG best practice. We place our brands and customers at the centre of our ESG strategy, their feedback is important to ensure we are continuously incentivising our brands to improve their credentials alongside acknowledging leading ethical brands.

An issue we worked to solve was to develop an appropriate and compassionate pathway for our smaller brands to qualify for Guarantees. These smaller brands often lead the way in ESG practice but are unable to attain certifications due to accessibility constraints. For example, this is why our Carbon Reduction Guarantee now incorporates operational reduction strategies such as local sourcing and manufacture as evidence. This allows our small, highly impact-conscious brands to demonstrate their low carbon footprint despite not often being able to measure their footprints and achieve Net Zero certifications in the same way as larger brands.

The updated vetting process is therefore standardised across smaller and larger brands as distinct groups enabling brands of all sizes to sufficiently substantiate the claims, whilst being inclusive. We hope to continue to shine a spot light on the unique challenges small brands face in incorporating sustainable practices into their businesses and will continue working with our community to solve these issues.

Additionally, we have aligned with developments in industry best practices. The field of sustainability is fast-moving as technologies and research progress rapidly to work towards 2050 climate goals. Given these developments, we have worked to ensure that our nomenclature for the Guarantees and the vetting criteria reflect these developments. We have now made the names and icons for the Guarantees more literal to make the meaning clearer and therefore more transparent and accessible for both brands and customers.



What is Our Onboarding Criteria for Brands?

OUR BRANDS

In addition to the Guarantees vetting process, when any brand is approved to join the Wolf & Badger platform they need to confirm that they already meet certain ethical standards. These standards cover baseline ethical practices and reflect our company mission and values.

The minimum standards are:

- That the brand is independently owned.
- All products are made by the designer.
- All the designs are original.
- All workers are paid at least the minimum wage.
- No farmed fur, ostrich, or exotic skins.
- Natural materials are used when possible.
- No animal testing was performed at any point.
- No harvested endangered wood.

We Made Huge Headway In Data & Reporting

Refining our data collection systems and processes

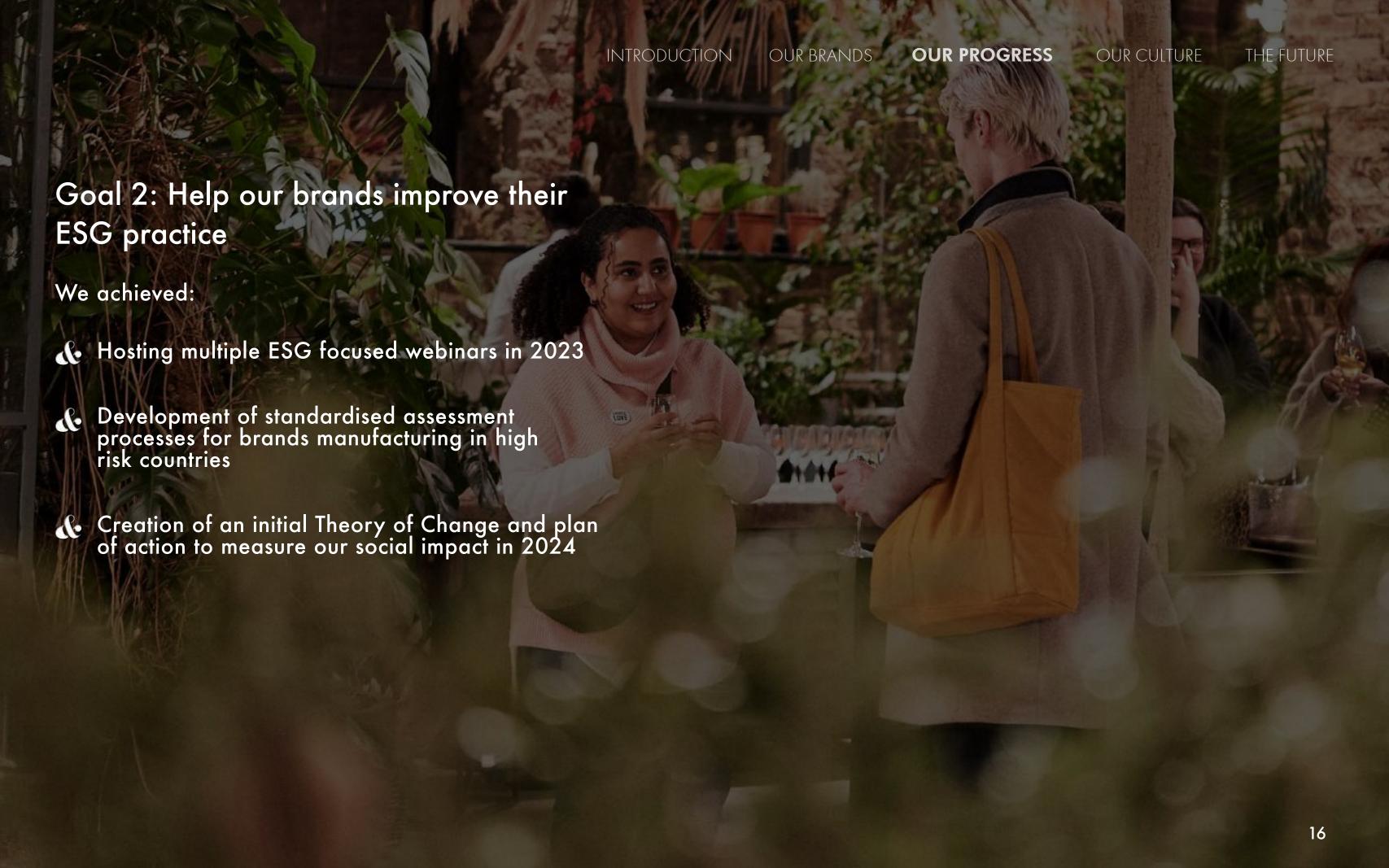
In the last three years we quickly outgrew our initial vetting and data collection process which called for a complete redesign of how we collect our brand's ESG data.

As of August this year, we now have an integrated interactive form in our brand dashboard so that Guarantee selection, evidence submission and documentation uploads all happen in the same place. This has sped up data collection and processing for both brand's and our team. Brands now receive personalised feedback on their guarantees and the team can easily request further information meaning Guarantees can be approved faster and brands require less back-and-forth communication. With this new system in place we have increased our vetting capacity by 80% compared to the start of the year.

Data tracking

Alongside the systems improvements we have been redesigning how we collect and use the vetting data so that it can be utilised to gain a better understanding of the makeup of our brands. With accurate information on the countries our brands manufacture in and how many people work on their collections, it allows us to tailor resources and services to serve our brand community more effectively. For example, providing more extensive due diligence guidance to brands manufacturing in larger factories in countries at high risk of human rights non-compliance.

1100+ brands vetted in 2023



How Did We Achieve This?

We have continued to build resources for our brands to improve their sustainability literacy and implement ESG best practices into their businesses.

Our main focus has been on workers' rights as well as highlighting the importance of due diligence and compliance for our brands manufacturing in high-risk countries. Moving into next year we hope to further expand our resources in this area given it is such an important topic.

One of the highlights this year was expanding our resource offering to include webinars, which provide brands with a more interactive format to learn about key ESG topics. The first two webinars focused on guiding brands through the Guarantee selection process, why it is important, and the evidence required to achieve Guarantees. Outside of our brand community, we have been working to introduce more educational resources for our team and customers.

We introduced ESG training to better equip our community and brands team in assisting with ESG queries, understanding our vetting process and why it's important. We are also working to educate our customers and wider stakeholders in sustainable practice by partnering with leaders and tastemakers in the sustainability field.







OUR BRANDS

Choose Love

During the month of December, Wolf & Badger hosted Choose Love in-store pop-up shops at all three of the worldwide flagship locations, enabling customers in New York, Los Angeles and London to purchase winter essentials and life saving bundles for refugees.

We also collaborated on a limited edition premium tote bag featuring both brand logos. Made from organic cotton and printed using environmentally safe dyes, the bag was created by artisans in southern India who are part of the UK-based social enterprise and B Corp certified company, Re-wrap. 100% of all sales of the bags were donated to Choose Love.

The Seam

We partnered with repair service The Seam throughout December to offer customers in our London store repairs and alterations for their garments and accessories. Customers were able to drop off clothing, footwear and accessory repairs along with sneaker cleaning services. The repairs were sent to specialist makers, repaired and returned to the customer's home address.

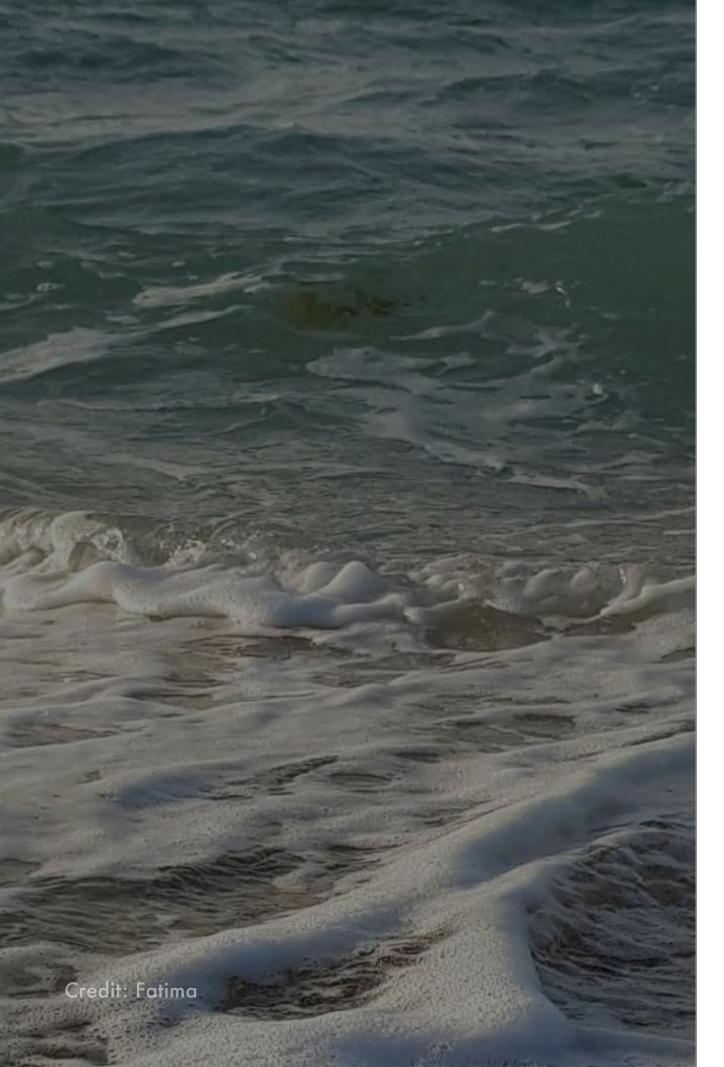
This pilot initiative was a great success and demonstrated the demand for repair services, which we hope to build upon as part of our wider circularity strategy.



Goal 3: Reach Net Zero

We achieved:

- Improved the accuracy of our carbon footprinting, switching from spend-based to activity-based data for our buildings and freight data in 2023.
- Supporting 36 carbon reduction focused brands on our platform.
- Completion of the UN Global Compact's 2023 Climate Ambition Accelerator.



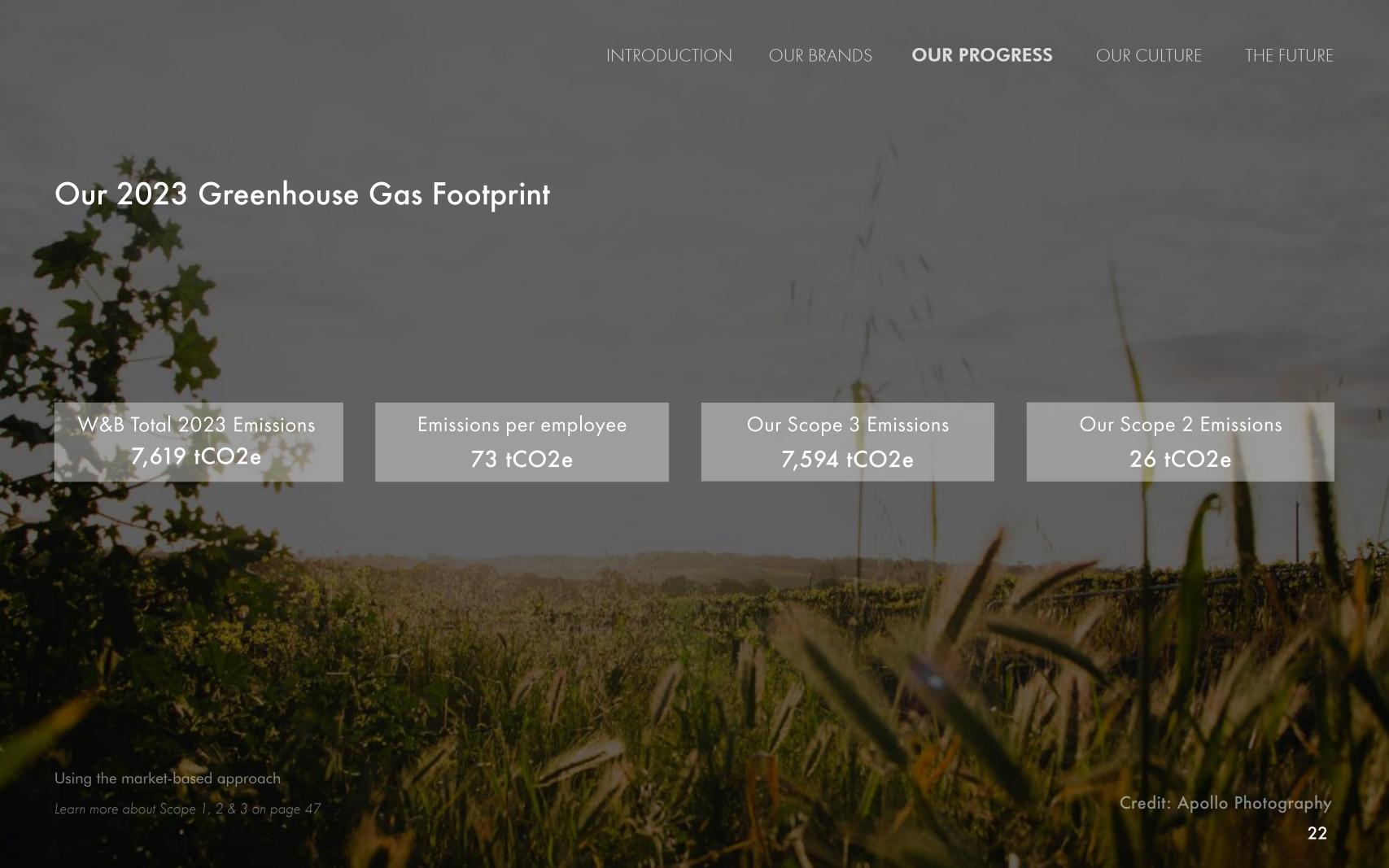
Goal 3: Reach Net Zero

How did we achieve this?

We are mindful of our carbon impact in all our operations and this is factored into key business decisions as we continue to develop our understanding of our carbon impact and how we can reduce our emissions.

We have worked to improve the accuracy of our carbon footprinting, switching from spend-based to activity-based data for our buildings and freight data. By doing this we are able to gain more detailed and accurate insights into our largest emitting categories.

Our Sustainability Team completed the UN Global Compact's Climate Ambition Accelerator in 2023, helping us to further our knowledge in GHG accounting and the process for setting SBTs.

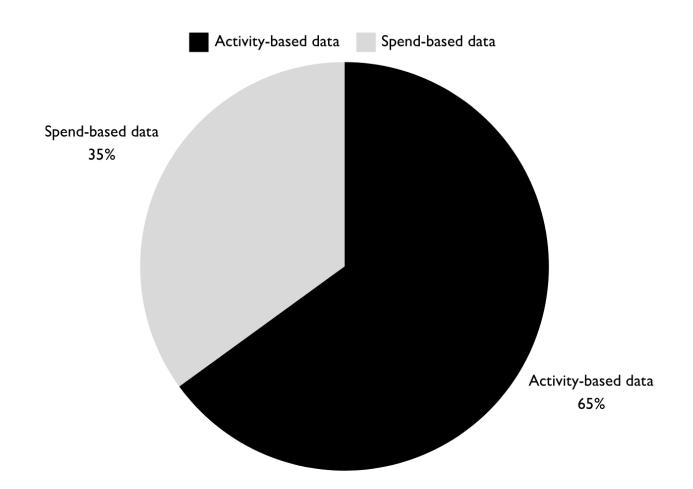


Improving Our Emissions Calculations Process

We have improved our carbon emissions accounting process since our last analysis in 2021. We have now incorporated activity based data for our highest emitting categories, freight and buildings.

By switching from spend-based data to activity-based it allows us to build a more accurate picture of our carbon footprint and better understand the opportunities for reduction.

We're proud to say that this year's analysis consists of 65% activity-based data which is a huge improvement from our 100% spend-based analysis in our previous report.

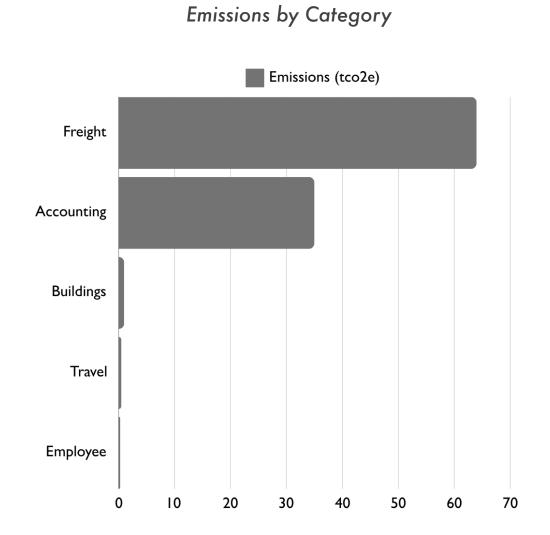


Our Emissions By Category

Our largest emitting category is freight, relating to the emissions created from shipping orders from our brands to customers. This is followed by our digital services and advertising emissions.

As freight is our largest category by far, this is the key focus for our reduction efforts and we will be putting in place a reduction plan with our shipping providers in 2024, as well as reinforcing our strategy to encourage customers to shop from brands local to themselves.

Emissions by Sub-category Bank fees & services 3.2% Other 5.7% Online advertisement | Google 9.5% Online advertisement | Facebook 10.9% Air freight 67.2%

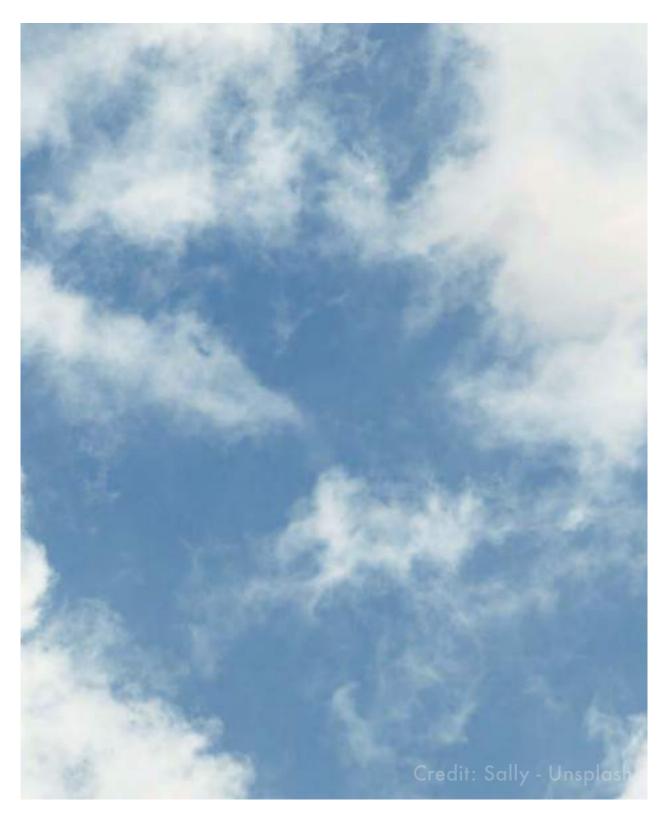


Reduction Strategy

Our emissions have increased 42% when compared to 2021, which is reflective of our growing customer base and the subsequent increase in shipping emissions.

In light of this insight from our emissions mapping, we are making a concerted effort to ensure we can enhance our business model to reduce emissions through an emphasis on shopping local brands which we will do across all of our marketing channels and stores and embed this into the development of our website and consider in our brand acquisition strategy.

Our key focus for 2024 is to work with our shipping providers to implement lower carbon shipping methods.



OUR CULTURE







Engagement, Representation & Education

We run regular events both to educate our team and to celebrate diversity at key moments throughout the year such as International Women's Day, Pride Month and Black History Month. Over a quarter of our team identify as LGBTQ+ and over 50% of our leadership team are women. We actively consult with staff, such as our LGBTQIA+ employee resource group, on activities and policies related to DE&I.

Our DE&I survey has a 98% completion rate, so we understand the intersecting constellation of characteristics represented within our team.

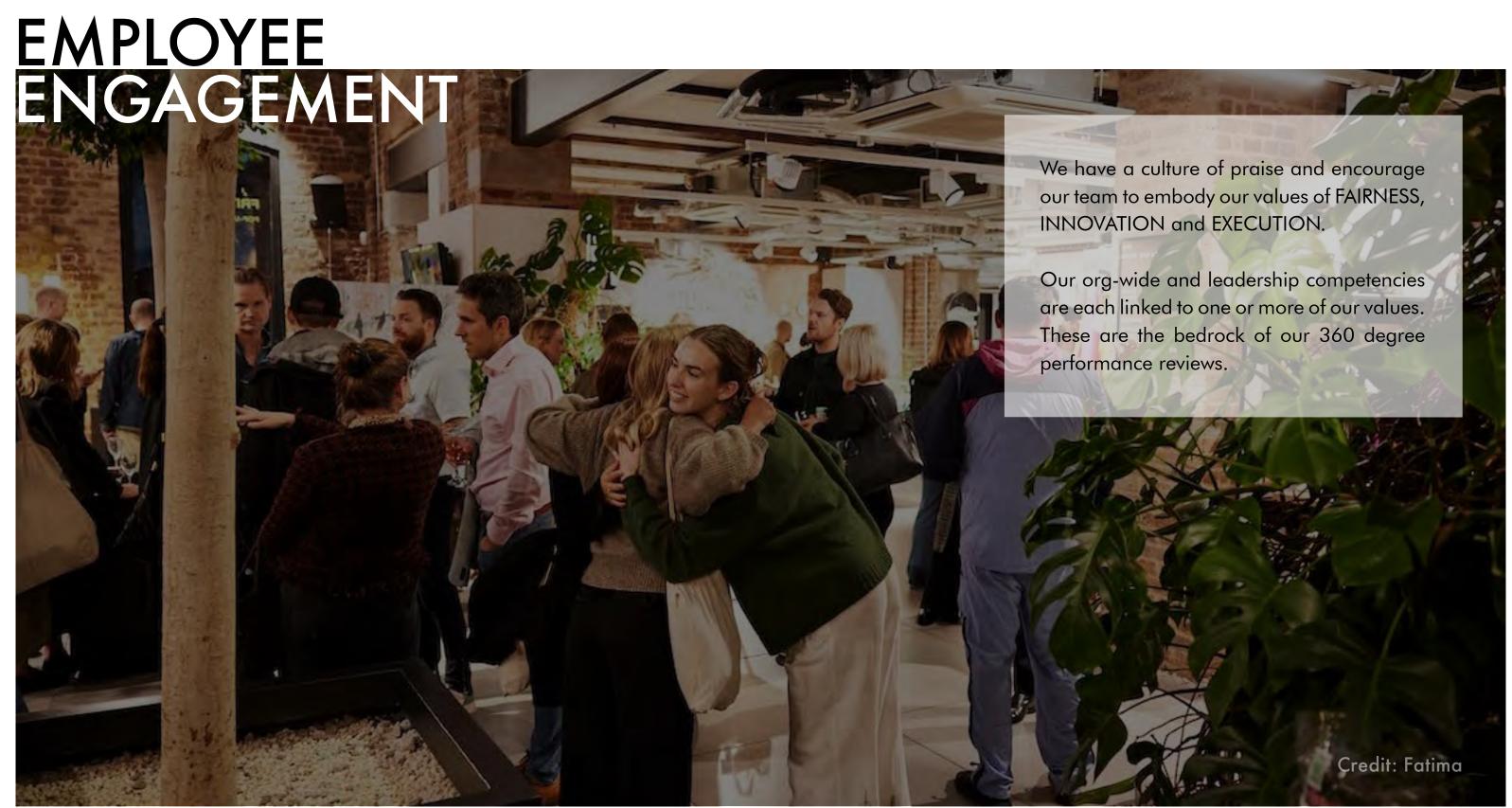
In 2024, we plan to roll out mandatory Inclusive Language and Behaviours Training for our team, to bring everyone along on the journey. Additionally, we plan to implement an annual paid time off for volunteering allowance for all part and full time employees as a key employee benefit.



THE FUTURE

OUR BRANDS





Creating an Inclusive Culture

Measuring and Monitoring

- We report on DE&I progress at monthly board meetings for engagement and our quarterly remuneration committee for pay and representation.
- We monitor for patterns in employee experience and progression in relation to protected characteristics.
- We have robust policies on harassment, discrimination and whistleblowing and investigate and address concerns.
- We ensure a strong employee voice and provide anonymous and direct feedback mechanisms to surface staff suggestions and concerns across all areas including DE&I.

Wellbeing and Accessibility

- We provide accessibility tools, resources, trained Mental Health First Aiders, manager guidance and reasonable adjustments to support staff who are neurodiverse, are experiencing mental wellbeing challenges, have disabilities and/or are otherwise differently-abled.
- We provide staff with ample paid leave to support physical and mental healthand flexibility to accommodate caring needs.

We're proud that in 2023:

THE FUTURE

Employee Engagement averaged 71/100

Praise given was 90th percentile vs benchmarks

Our two highest scoring staff engagement figures:

98% of the team feel they can be themeselves at work

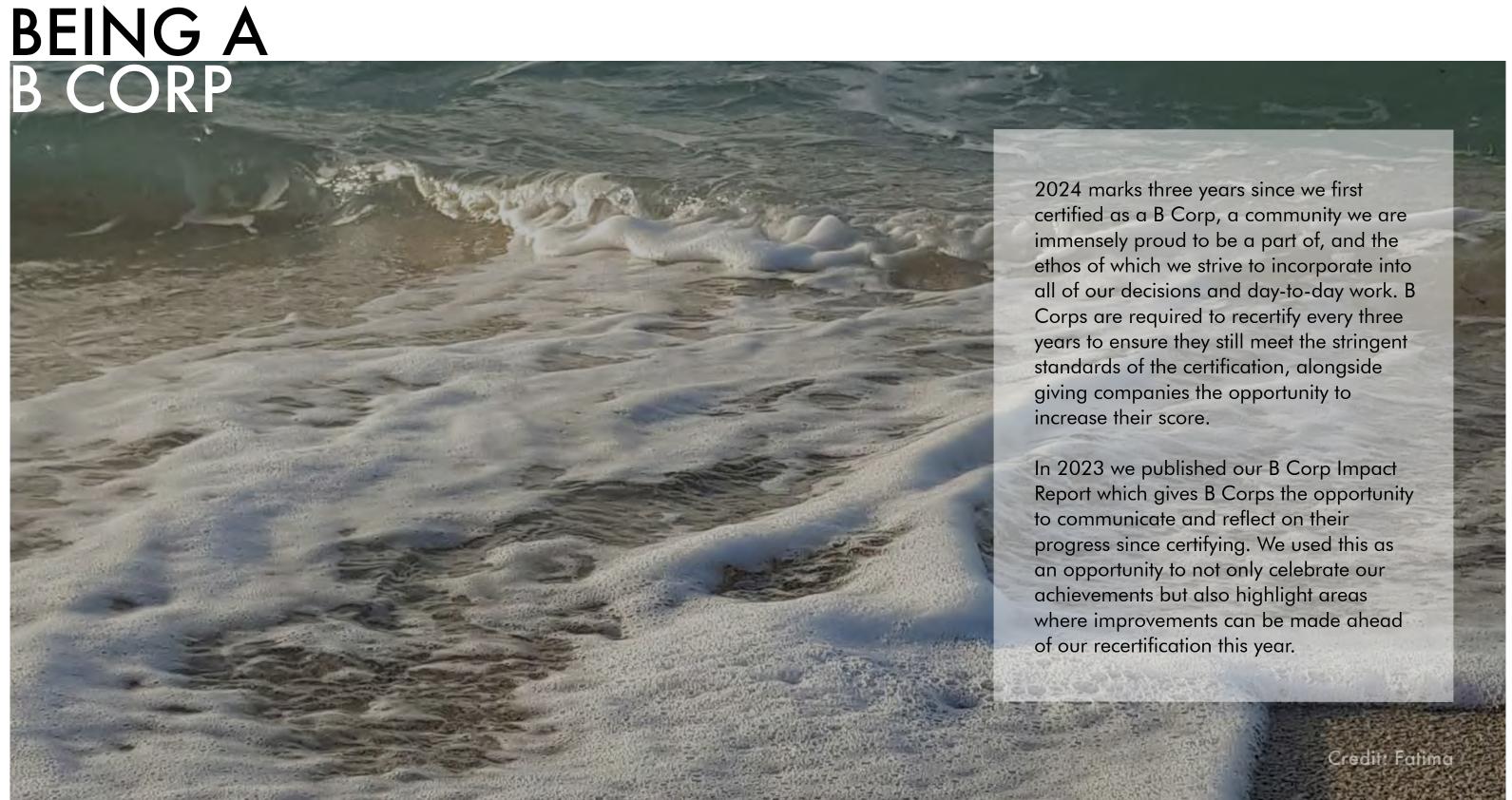
100% of people in the team feel others are not rejected for being different

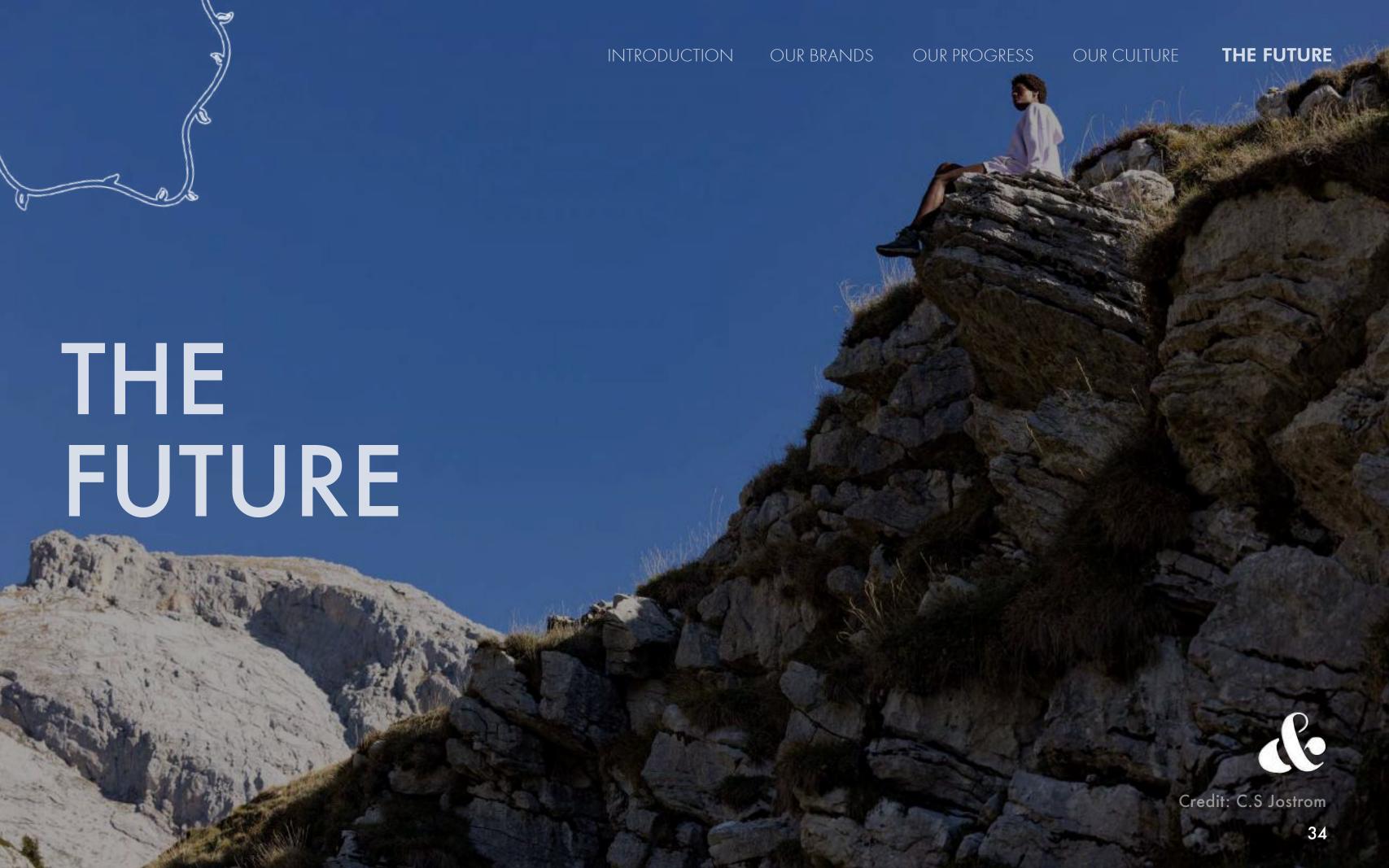
Recruitment

We have practical measures in place which are proven to support diversity in recruitment including:

- Blind-screening at the application stage.
- Standardised interview scorecards.
- Removing education 'requirements' wherever practical and including specific compensation ranges in job ads. Using gender decoding software to reduce biased language in all our job ads.
- Providing hiring manager training and resources for inclusive recruitment and ensuring diverse hiring panels.
- Only working with recruiters who demonstrate
 commitment to inclusive recruitment practices and who actively seek out and showcase a diverse group of candidates.







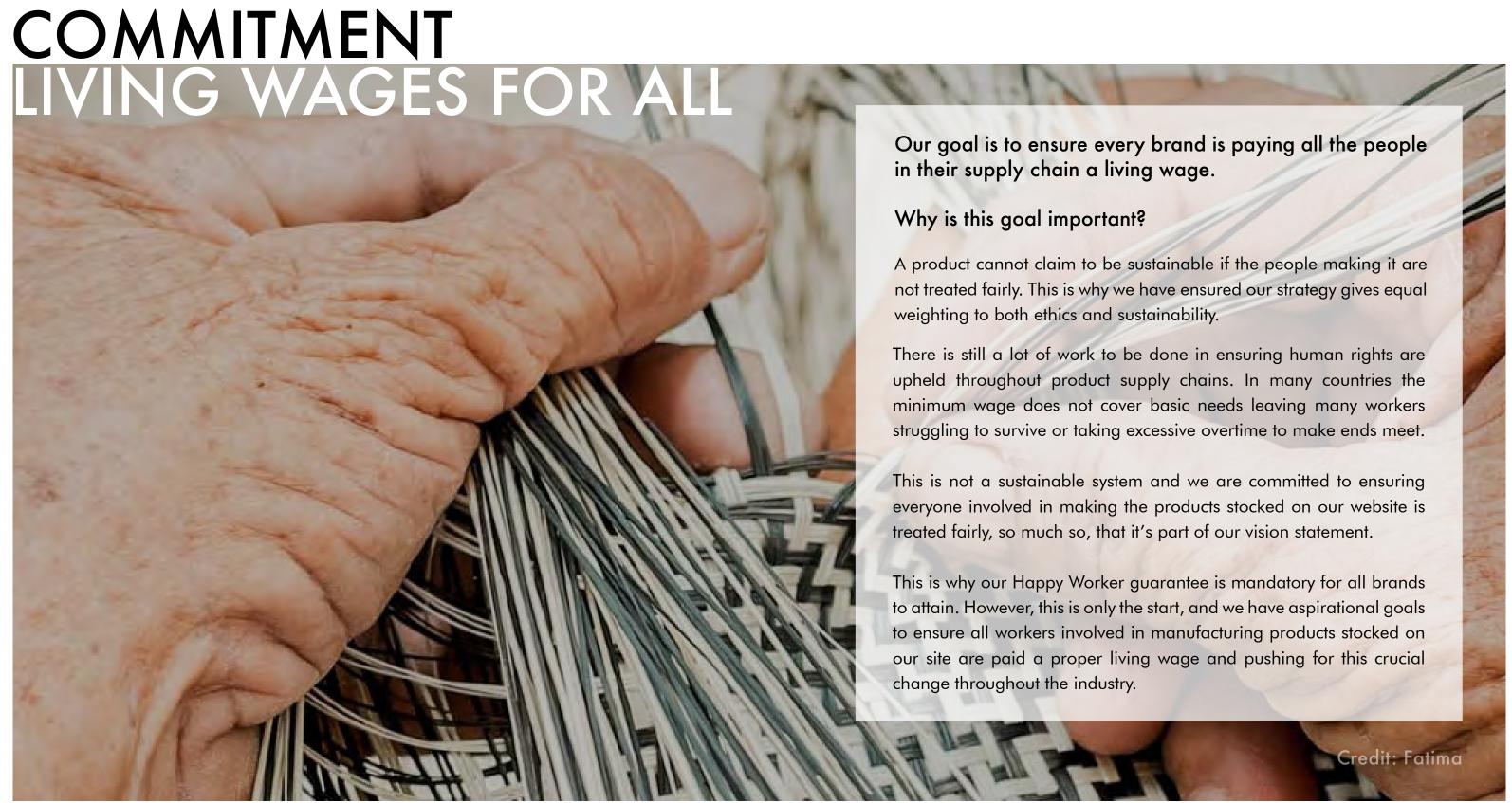
This year we set out our long-term ESG strategy which will inform our goals and actions over the coming years.

We set out five priorities to drive us towards our overarching goals of making Wolf & Badger a leading ESG platform and supporting our community of brands to become the next ESG leaders.

These are ambitious goals and we are committed to pushing forward ESG advancements throughout our community and the industry and scaling our sustainability efforts to ensure we're contributing to a future retail landscape which is fair for everyone.

Our 2030 Goals:

- 1. Living wages for all
- 2. Ensure our guarantees are incentivising ESG best practice
- 3. Increase ESG awareness for brands and customers
- 4. Optimise for circularity
 - 5. Reach Net Zero



OUR CULTURE

How are we going to reach it?

All brands on our platform pay minimum wage and many brands are paying living wages to their workers. These brands are leading the change despite their small size, setting an example for larger retailers. However, many small brands can struggle to enact change in areas like increasing worker wages due to their small size and limited influence compared to larger brands placing huge order volumes with suppliers. These can be tricky situations to navigate and we aim to understand and support brands in ensuring safe and fair working conditions for all in their supply chain.

Our 2024 priorities:

- Ensure all brands are approved for Happy Worker.
- Strengthen our workers rights compliance checks, classification of high and low risk countries and vetting for this guarantee.
- Better understand the challenges of small, independent brands in assessing workers rights.

- Support our brands in collecting and verifying information on workers rights.
- Develop a standardised assessment for living wages.
- Launch a living wage guarantee covering tier 1 (cut, make, trim) manufacturer.
- 100% of our brands have achieved the Living Wage guarantee.
- Expand the guarantee to cover all supply chain tiers down to farm level.



We are working to continuously improve and evolve our Guarantees framework, aligning with industry best practices and ensuring our brands can become the next ESG leaders.

Why is this goal important?

Our mission is to provide an alternative to existing fashion models and to support and spotlight emerging independent and ethical brands who are designing in alignment with slow fashion principles and creating quality products, made to last.

As this is our core mission, we need to ensure we are fostering a culture of continuous improvement and always looking for new ways to ensure we are supporting brands to make conscious choices in their businesses.

This goal works to remind us to continuously evolve and develop our guarantees framework, align with industry best practice and ensure our brands can become the next ESG leaders. With this, we signal to larger retailers that small businesses can lead the transition away from outdated, unsustainable models and create a fashion system which is more equitable for all.

Credit: Floria Collective

OUR BRANDS

How are we going to reach it?

In 2023 we revised our Guarantees framework, next year will focus on conducting a full evaluation of the impact of our Guarantees. We plan to identify areas where our brands need further support and investigate how we can incentivise and reward ESG best practices within our community.

Our 2024 priorities:

- Recertify as a B Corp.
- Evaluate the impact of our guarantees.
- Conduct a social impact survey.
- Identify areas for improvement.
- Incentivise and reward our ESG leading brands.

- Launch new guarantees to cover further areas of ESG practice.
- Ensure our ESG leading brands are celebrated.
- Continuously improve our B Corp score.





We want to ensure every brand has the opportunity to engage in ESG conversations whether they are an expert or starting out on their journey.

Why is this goal important?

Education is a critical element to implementing a successful ESG strategy. We have a diverse community of brands and we want to ensure every brand has the opportunity to engage in ESG conversations whether they are an expert or starting out on their journey.

For our customers we know sustainability can be confusing, especially in an age where greenwashing is rife. This is why we want to work with our brands to empower them to confidently and accurately talk about their sustainability initiatives in a way which is transparent and accessible.

Not only that, but we want to upskill our team so everyone within the company feels confident in talking about ESG issues. Ensuring everyone in our community is confident will help raise awareness and initiate action. Small actions on a collective scale can have the greatest impact.

Credit: Essien and Emre

How are we going to reach it?

This goal involves fostering a culture of learning and education. We plan to steadily increase resources available for brands and customers on this topic.

Another critical element is ensuring we're aligned with the steady influx of sustainability legislation that is being introduced and keeping our website and products compliant. We want our platform to be a trusted source for customers to shop confidently for sustainable products and services.

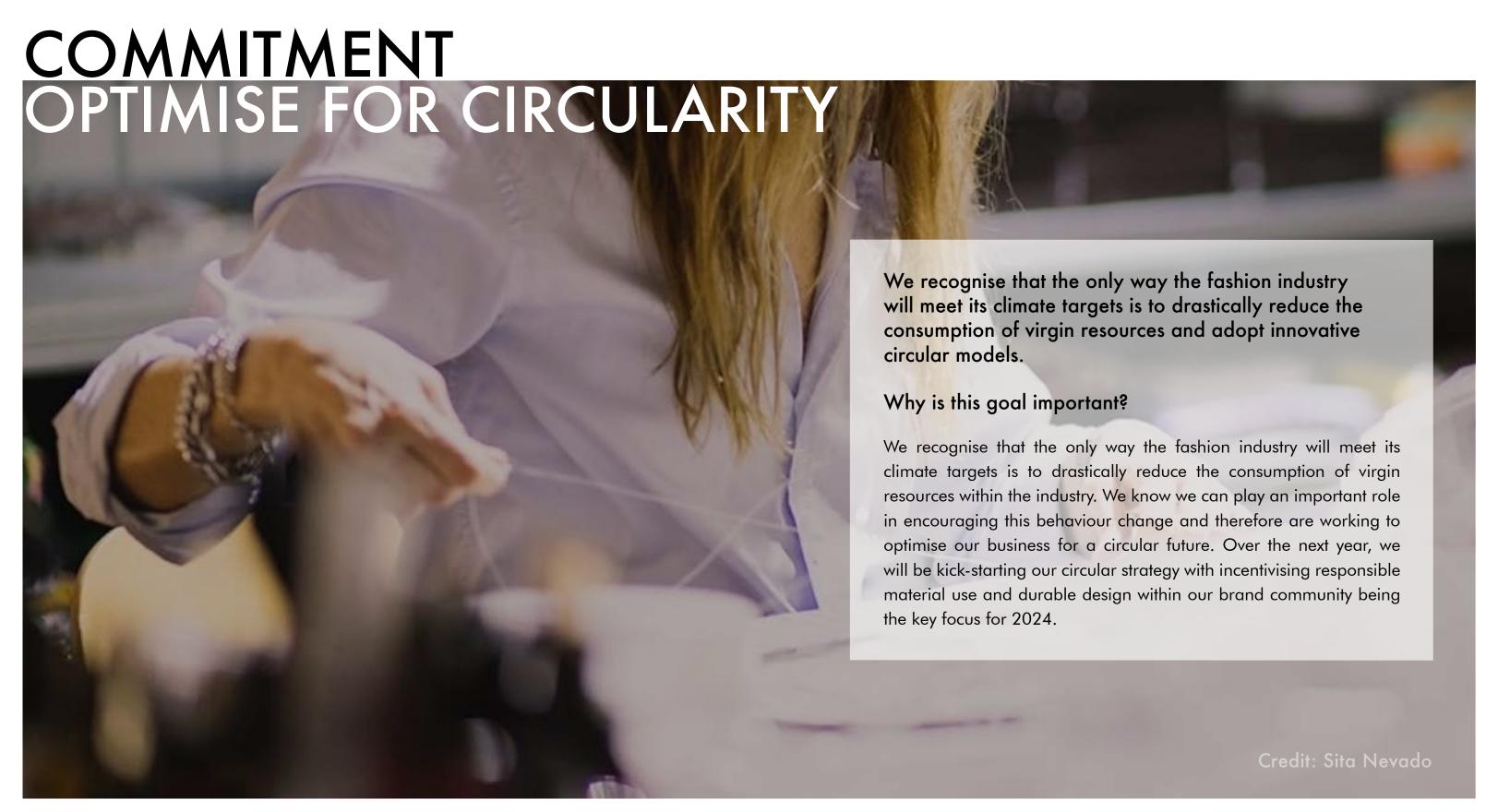
Our 2024 priorities:

- Give our team access to educational resources to learn more about sustainability and the organisations we are a part of such as UN Global Compact academy and B Corp.
- Update our greenwashing guidelines for the website.
- Scope and implement a circularity events programme in our stores.
- Better communicate circular aspects of W&B brands to customers.
- Roll-out better support systems for brands not meeting our ethical standards.

- Surface verified certification and sustainability data on product pages.
- Increase awareness and adoption of circular business models.
- Comply with all upcoming sustainability legislation.



OUR BRANDS



OUR BRANDS

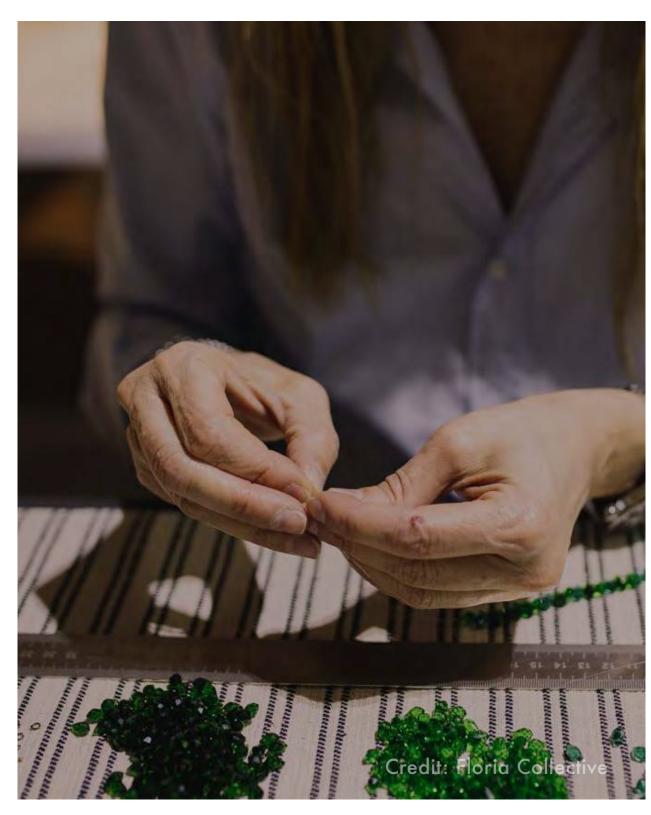
How are we going to reach it?

Throughout 2024, our focus will be to assess the materials used by our brands and begin to analyse and implement a strategy to encourage circular design principles and more responsible material use (think opting for recycled over virgin fibres and using regenerative plant-based fabrics). From this, we can build our strategy in the coming years to introduce services around recycling, rental, resale and more as we shift away from production to more responsible ways of using products.

Our 2024 priorities:

- Ensure ESG criteria is embedded in the brand acquisition process.
- Research alternative production options.
- Collect data on the materials our brands use.
- Create a preferred materials list.
- Research textile recycling options.

- Develop a strategy to increase circularity in the business.
- Create a roadmap for introducing circular services to Wolf & Badger (rental, resale, repair, recycling).
- Incentivise the use of more responsible materials.
- Reduce the use of virgin resources.





The science is overwhelmingly clear that we need to transition to cleaner production methods and limit greenhouse gas emissions as quickly as possible to prevent the worst effects of climate change by 2050.

Why is this goal important?

It is vital that everyone unites in their efforts to keep global temperatures rising beyond 1.5 degrees above pre-industrial levels. However, engaging in carbon reduction initiatives can be confusing and overwhelming, especially for small businesses. So, as Wolf & Badger begin our own Net Zero journey, we aim to share our learnings with our brand community and encourage them to monitor and adopt low carbon practices within their own operations.

How are we going to reach it?

During 2024, our focus will be to assess the materials used by our brands and begin to analyse and implement a strategy to encourage circular design principles and more responsible material use (think opting for recycled over virgin fibres and using regenerative plant-based fabrics). From this, we can build our strategy in the coming years to introduce services around recycling, rental, resale and more as we shift away from production to more responsible ways of using products.

How are we going to reach it?

We commit to annually calculating our greenhouse gas emissions to ensure that we have accurate data to reflect our progress. We also plan to actively pursue methods to reduce our carbon footprint where possible.

Alongside reducing our own footprint we want to help our brand community reduce theirs and will be tracking the increase of our "carbon reduction" guarantee and creating detailed resources on how brands can engage in this topic.

Our 2024 priorities:

- Measure our 2024 GHG emissions.
- Setting science-based targets with the Science Based Targets Initiative.
- Create and implement a roadmap to reduce GHG emissions.

Our Long Term Roadmap:

- Set realistic Net Zero and Carbon Neutrality targets along with a roadmap to achieve them.



APPENDIX





Credit: Patrick Sadler

APPENDIX

*Carbon Reduction: This brand is reducing its carbon footprint either through offsetting or operational reduction strategies.

Charitable Donation: At least 1% of this brand's sales go to a charity partner.

Cruelty Free: The products and constituent ingredients in this collection are not tested on animals.

Non-toxic Dyes: The materials in this collection are free from AZO dyes and phthalates.

Re/Upcycled Materialst: The products in this collection are made with at least 50% recycled or upcycled materials.

Responsible Packaging: All packaging in this collection is either biodegradable, compostable or made of recycled materials.

Ethical Leader: This brand is a sustainability leader, incorporating environmental and social impact into all decision making and practices.

Natural Materials: At least 90% of ingredients or materials in this collection are derived from natural, non-synthetic sources.

Skilled Artisan: This collection is entirely made in the designer's studio and/or by an artisan collective, and/or seeks to preserve traditional handicraft techniques.

Preferred Animal Materials: This brand has sourced animal materials that are either traceable to farm level, third-party certified by an animal welfare standard or recycled in origin.

Organic: The material or ingredients in this collection are at least 80% derived from organic farming.

Vegan: Alternative materials / ingredients have been used where an animal product would normally be used.

OUR BRANDS

*Scope 1 refers to all direct emissions from owned and controlled sources, e.g. factories. Wolf & Badger does not have any Scope 1 emissions.

Scope 2 refers to indirect emissions owned by the company such as purchasing electricity for our stores.

Scope 3 refers to indirect emissions not owned by us, such as our shipping providers, web services and equipment purchased.

