



Bute Fabrics Ltd

Sustainability Report 2022



About Bute Fabrics Ltd

Whether creating beautiful material for residential projects or durable fabric for the contract market, our team works tirelessly to make sure that our textiles always enhance an environment. The Isle of Bute's natural colours, textures and patterns are woven into our designs making them bold, bright and contemporary. Our designs go straight from computer-aided design to our state-of-the-art looms. All of our textiles are designed and woven to withstand the test-of-time.

The company, established in 1947 by the 5th Marquess of Bute, with the sole purpose of providing employment opportunities for service personnel returning home after the Second World War is, to this day, deeply embedded in the community where it is located and the culture, operations and spirit of the business are shaped by it.



Bute Fabrics procures yarn from around the world (see page 6) but mostly from Europe, with the largest quantity originating within the UK. It weaves textiles for the furnishing, drapery and luxury fashion markets within its own premises in the town of Rothesay, a mere 30 minute ferry journey from the mainland of south west Scotland and only a 30 minute drive from Scotland's second city, Glasgow.



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Please address any questions about this report to sustainabilityteam@butefabrics.com

Printed on recycled paper containing textile waste

A message from our CEO

Welcome to Bute Fabrics' first Sustainability Report. It's exciting to see this next stage in our development as a company. In the last few years we have invested heavily in the business — new state-of-the-art equipment, a complete overhaul of our factory layout and material flow, as well as the introduction of many new, innovative products. Our team has been strengthened by new people joining us and adding to the wealth of experience that we already had. This report, and the work which has gone into preparing it, is a sign of our continued ambition for the future.

Bute Fabrics is all about its people — a small team working at very high technical levels, and this report reflects that. We have tried to be transparent about our current position and to lay out a roadmap for the next few years. There are certainly some tough sustainability challenges ahead, but we are certain that there is a good foundation to build on and that Bute Fabrics has a strong team that is ready to learn and to work together to overcome them all.

John Glen, CEO



Why a Sustainability Report?

There isn't one simple answer to the question, but there are three clear strands...

Customers

Bute Fabrics has the ambition to grow and develop into new markets. Customers are becoming increasingly interested in sustainability and are placing more demands upon suppliers like us — not simply to be responsible in how we manufacture our products, but to ensure that our supply-chain is being responsible, too.

Planet

There is a clear appetite within the company to address the environmental impact of the textiles industry. Whether it's chemical usage, waste, transport, or impact on the landscape, the worldwide industry has a large footprint. We are a very small player, but if progress is to be made then everyone must play their part.

Employees

Alongside creating the report, much work has been done to harness the ideas, enthusiasm and creativity of our employees in sustainability activities across the business. Writing Bute Fabrics' first Sustainability Report has involved looking back at our history, looking at the progress which has been made to date and looking, also, towards the future, as we set out our plans for the next four years and beyond.

Who and How?

Early on in the process, we selected a number of key employees to be part of our Sustainability Team. Through participation in training, a series of workshops and data collection, the Team has been foundational for the preparation of this report and will continue to be in the future.

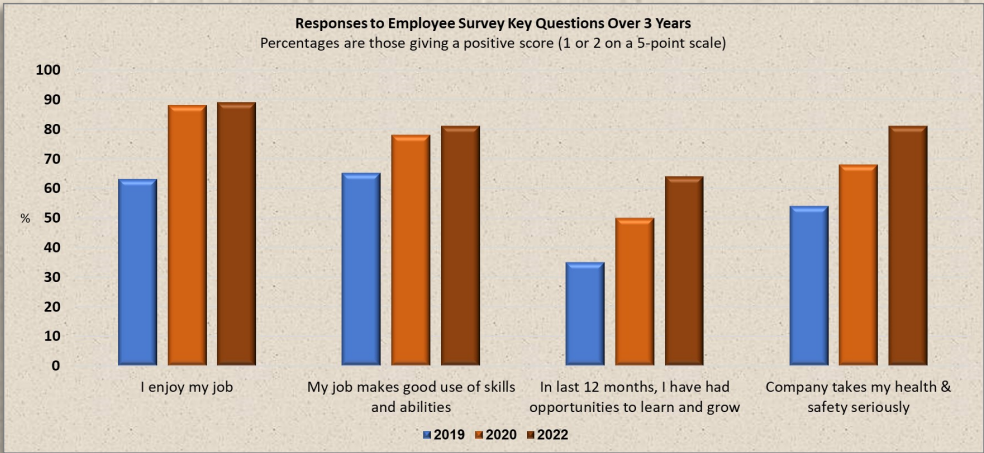
We have approached our reporting using four themes — People & Community, Operations, Supply Chain and Raw Materials & Design. Each forms an important strand of the Bute Fabrics' sustainability story and has been allocated a page in this report.



People and Community



Bute Fabrics is a significant employer in a small island community. Our location and our history mean that we place a very high value on our employees and their active engagement with the business. We are very aware of our important role on the island of Bute and are involved with the wider community.



People and Community Roadmap

Baseline

- Living wage paid
- Annual employee engagement survey in place
- Health & Safety Team in place, COSHH and RAs revised
- Management training regularly delivered
- Company is a member of Sedex and ZDHC
- Sustainability Team and Policy established

2023

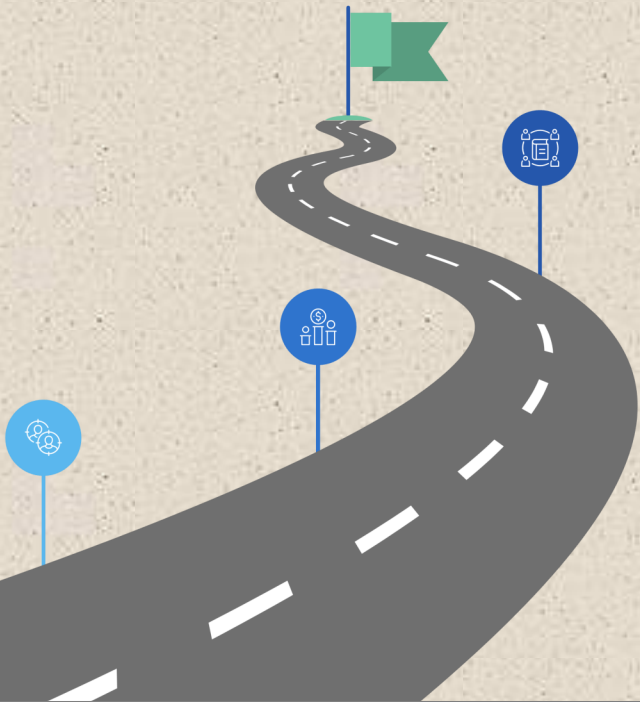
- Sustainability training for all employees
- Complete a review of COSHH and RAs
- Development of a Works Committee to consider employee welfare
- Establish links with two charities

2024

- Team building activities to be launched
- Develop deeper relationships with local schools and local businesses
- Consider involvement with other sustainability organisations

2025

- Activity to be determined based on outcome of actions in 2023/24



Community involvement and looking after our people contributes to these UN Sustainable Development Goals



Operations



At Bute Fabrics, we aim to make our production processes as efficient as possible, thereby minimising our impact on the environment. We manage our energy consumption (including logistics) very closely. We ensure that minimum waste is produced and that as much waste as possible is recycled.

Operations Roadmap

Baseline ●

- ISO 9001 (quality) and ISO 14001 (environment) certified
- Electricity and gas usage data recorded and analysed
- Some renewable energy used as part of electricity purchased
- Data on operational efficiency shows improvement
- Recent investment in new equipment and factory layout
- LED lighting has been installed in the factory – 90%

2023 ●

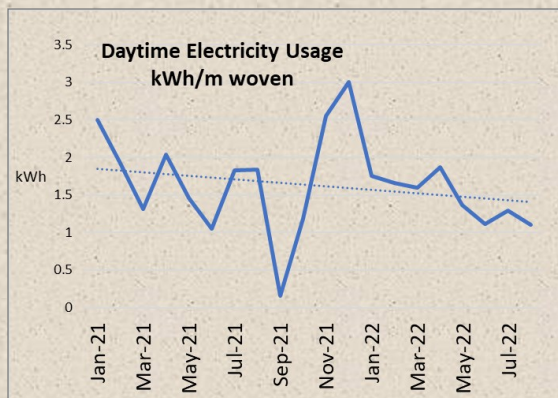
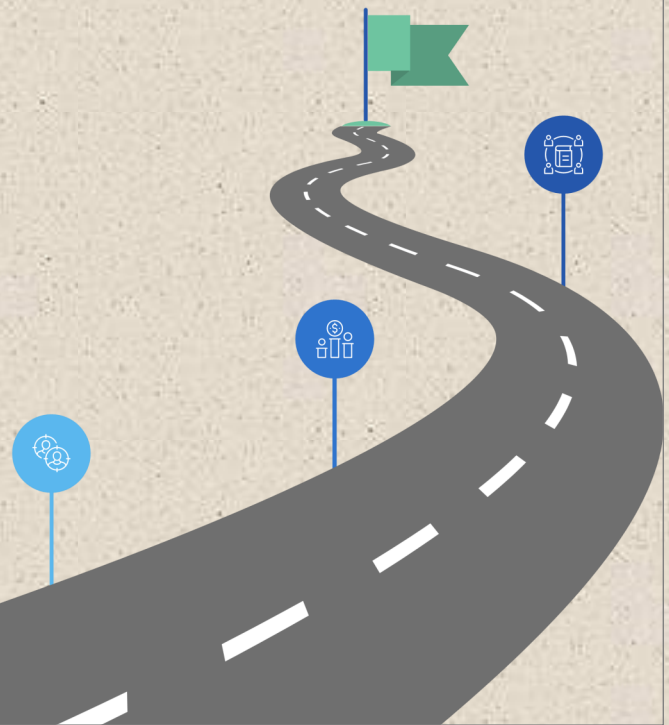
- Set targets for power usage relative to output targets
- Gather data on waste produced/packaging purchased
- Initiate projects to improve packaging usage and factory waste
- Establish activity around textile waste reduction
- Establish better channels for waste recycling/upcycling
- Achieve 'Supplier to Zero' basic level with ZDHC

2024 ●

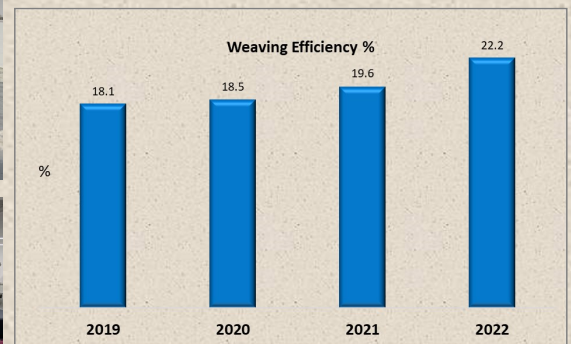
- Achieve Supplier to Zero advanced level with ZDHC
- Complete LED installation through the mill and offices
- Review insulation of building

2025 ●

- Investigate alternative forms of energy generation – solar panels, ground/air-source heat pumps



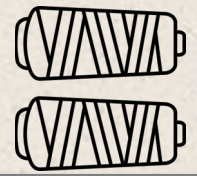
Before and after...



Improving operations contributes to these UN Sustainable Development Goals.



Supply Chain



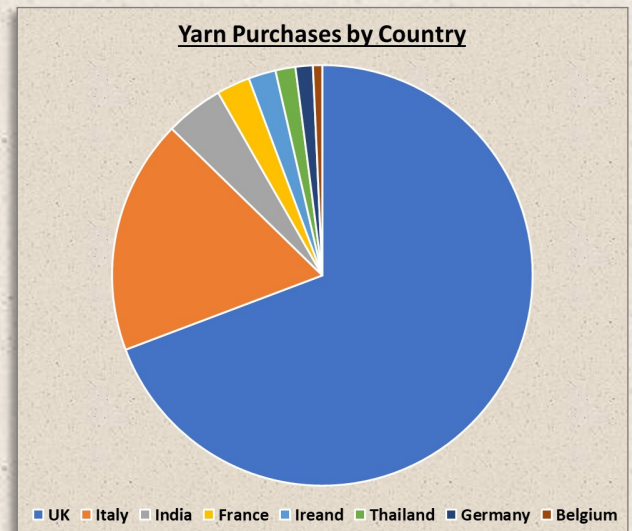
At Bute Fabrics, we work with a small group of suppliers and subcontractors in order to manufacture products for our customers. We value long-term relationships with our suppliers and aim to work with those who, like us, are committed to responsible and innovative manufacturing.

Bute Fabrics purchases yarn from approximately 25 suppliers, mostly based in the UK. The geographical spread is shown opposite. We also use UK-based suppliers for dyeing and finishing services.

Our initial survey of key suppliers has been encouraging, with some having a high level of awareness and engagement with environmental improvement projects and some with ISO certifications in environmental and energy management. Our priorities for the years ahead will be to engage our supply-chain in 3 main areas:

1. Improving our environmental footprint
2. Traceability of raw materials
3. Chemical management

We believe that we have suppliers who are open to work with us in an active and ambitious sustainability journey.



Supply Chain Roadmap

Baseline

- Suppliers listed on database
- A 'baseline' questionnaire' has been issued to all yarn suppliers
- Key UK vendors have been visited to discuss sustainability issues
- Product certifications have been documented

2023

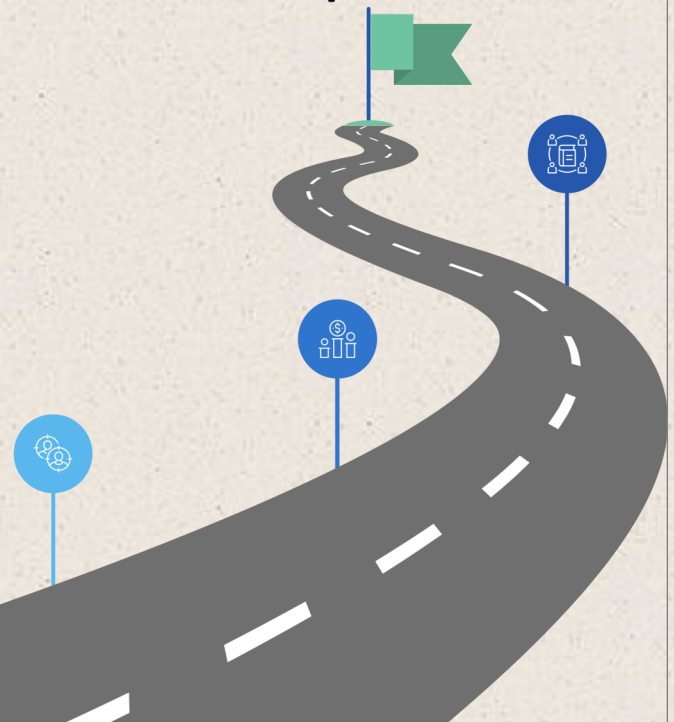
- All key vendors to be assessed against a vendor scorecard
- An Approved Vendor List to be created
- A chemical management assessment of all tier 1 suppliers
- Technical specifications to be agreed for 90% of yarns
- Review of supplier packing to be carried out
- Review of Modern Slavery report

2024

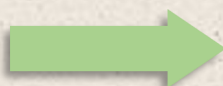
- Investigation and strategy development on technical and sustainability standards

2025

- Working with suppliers on energy water and waste
- Sustainability analysis of each purchased material/service



Supply-chain work contributes to these UN Sustainable Development Goals



Raw Materials and Design



Our raw materials are both natural and synthetic fibres. We are aware of, and seek to minimise, the impact on the environment, both by design choices and by creating long-lasting products. We aim to be innovative in our use of raw materials in order to continually improve our environmental performance.

Design & Raw Material Roadmap

Baseline

- Current raw materials have been documented
- Origin of main animal fibres has been identified
- Certifications of key raw materials is understood

2023

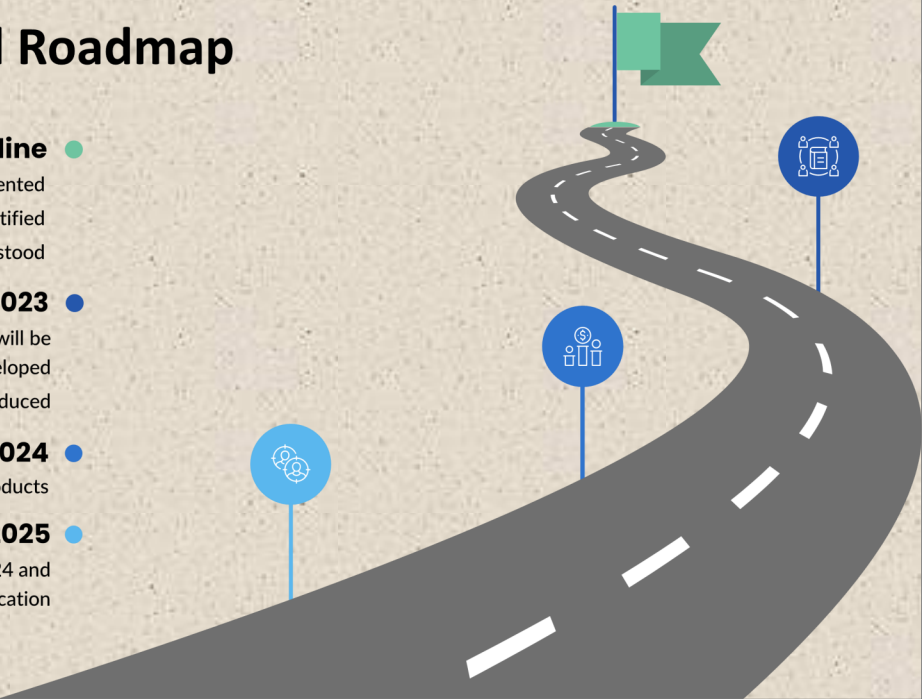
- A strategy for using yarns (certifications and compositions) will be developed
- Yarn Technical Data Sheets will be developed and introduced

2024

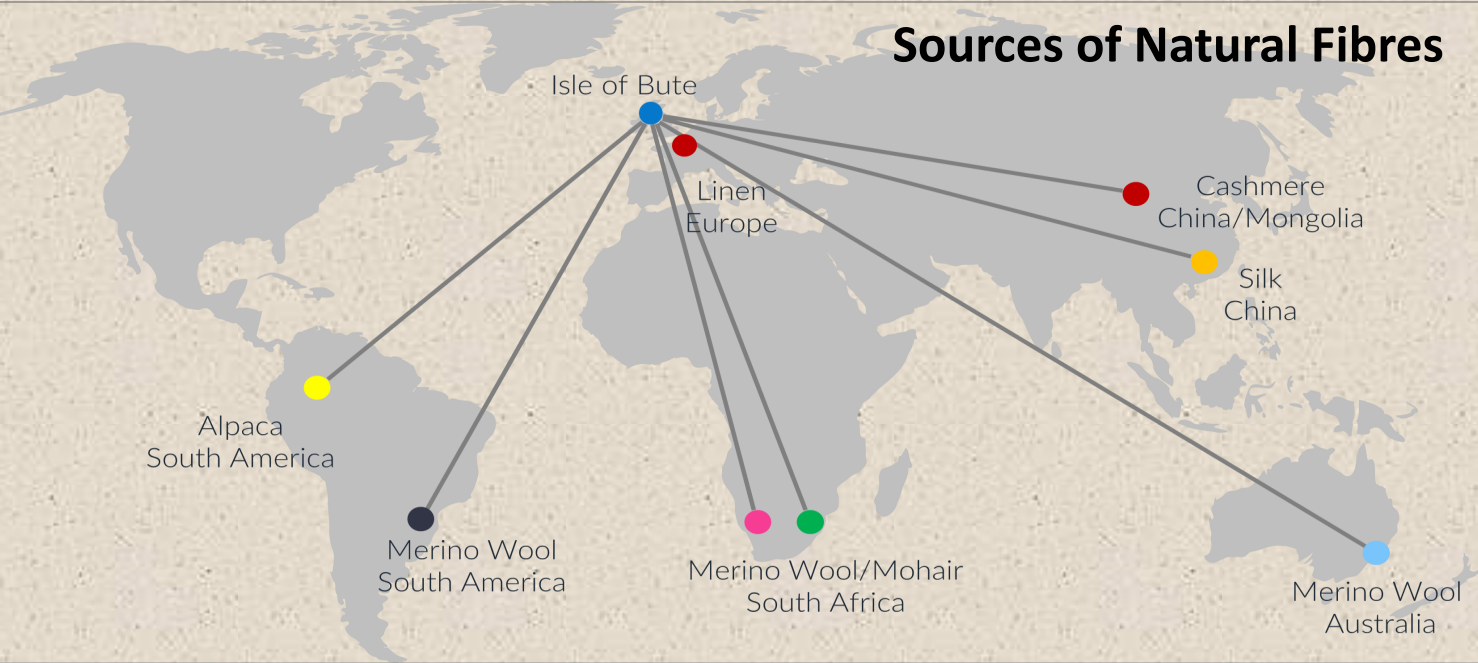
- Development of a policy for Bute-branded products

2025

- The way forward will emerge from work in 2023/24 and from international trends in fibre certification



Sources of Natural Fibres



Designing with appropriate raw materials contributes to these UN Sustainable Development Goals



2023 Commitments

By the end of 2023, we commit to carry out the following actions...

- ◇ Provide sustainability training for all employees
- ◇ Establish partnership links with two charities for fundraising and other support
- ◇ Establish KPIs on the amount of waste produced and measure our performance
- ◇ Establish KPIs for energy usage and measure our performance
- ◇ Assess all key vendors against our scorecard, creating an Approved Vendor List
- ◇ Achieve a 'Supplier to Zero' Basic Level from ZDHC



Bute Fabrics joined Sedex in 2022 in order to support future work with our supply-chain, particularly in regard to ensuring fair labour practices.

Sedex is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply-chains. It provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source responsibly.



On each page of the report you will see Bute Fabrics' sustainability work referring to the UN Sustainable Development Goals (SDGs). This is common practice in sustainability reporting and it is an attempt to put our work into a wider context. The SDGs are a collection of 17 global goals designed to be a "blueprint for peace and prosperity for people and the planet, now and into the future". www.sdgs.un.org/goals

In 2022, Bute Fabrics registered with ZDHC (Zero Discharge of Hazardous Chemicals). ZDHC is a multi-stakeholder

organisation comprising over 170 contributors from across the industry including brands, suppliers and chemical manufacturers.



ZDHC provides resources, support and training in regard to chemical management.

The Roadmap to Zero programme, by ZDHC, leads the fashion industry to eliminate harmful chemicals from its global supply-chain by building the foundation for more sustainable manufacturing to protect workers, consumers and our planet's ecosystems. www.roadmaptozero.com