



Responsibility and Sustainability Report

1st February 2021 – 31st January 2022





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CEO foreword



Neil Anderson, CEO

**We have made a
commitment to the Climate
Pledge to achieve Net Zero
by**

2040

I am pleased to present the first Silentnight Sustainability and Responsibility report. Although this is our first report, we've been making great strides across the environmental, social and governance strands of the business for some time. Presenting it together in a report for the first time not only highlights our achievements so far, it also sets out defined targets for improvement so we continue with our position as the UK's most trusted sleep brand.

As a responsible business, we aim to be transparent and accountable in our actions. We work to defined and measurable targets and will continue to report on an annual basis to share our journey with our stakeholders. By working with external partners, we will use sector-specific expertise to make the best decisions for a more sustainable future.

I am extremely proud of all the Silentnight employees who work hard every day to design, test, produce and sell quality products for our customers. Every person that works at Silentnight plays an important role in building our business and achieving our commitment to be the UK's most trusted sleep brand. Like most businesses, the last 2 years have thrown us some unprecedented challenges, with the disruption caused by the COVID-19 pandemic and ongoing difficulties across supply chains. These issues have required us to collaborate, innovate and refocus our goals, and our employees have shown resilience and commitment regardless of the challenges. In this report, we have described the plans to invest in our people, ensure we are providing the right support, and develop an open and inclusive culture.

As we look to the future, we will continue to lead and challenge our sector to make better sustainability and ethical choices. This is an extremely important focus for us. We have made a commitment to the Climate Pledge to achieve Net Zero by 2040, which is 10 years ahead of the Paris Agreement. If we can do it, then it paves the way for other manufacturers to learn and take progressive action.

Silentnight was established in 1946 and since then we have been dedicated to delivering the best for our customers. We know our customers are making more conscious choices to support brands that are focused on high ethical standards, and they want durable quality products that don't damage the environment. We are fully committed to meeting these aspirations and this report defines our approach to achieve this.

**“As we look to the future,
we will continue to lead and
challenge our sector to make
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ethical choices.”**

About us

Silentnight is the UK's most trusted sleep brand, and we are on a mission to inspire a nation of unique sleepers. We understand that people and sleep come in many forms and we work tirelessly to provide solutions for every sleeper.

We produce on average 12,000 mattresses per week from our manufacturing site in Barnoldswick in Lancashire. Our 700+ UK employees include skilled craft and trades people that build mattresses, beds and headboards to the high standards that our customers have come to rely upon. We enjoy multi-channel category leadership, with Silentnight being the trusted category partner in UK's retail and hospitality sales channels. By constantly innovating our manufacturing process, researching the science of sleep and valuing customer service, we remain at the peak of the market in delivering quality sleep solutions.

Our family of brands:



Market leading quality

We strive for total quality in everything we do



First class customer service

We will aim to deliver outstanding service at every stage of the customer journey



Continuous innovation

We will strive to be innovative in all areas of our business



Our sustainability journey



Our focus areas and key principles

At Silentnight we know that focussing on responsibility and sustainability is a continuous improvement journey. As with all companies, we are right to start scrutinizing ourselves and our position in society. We have been making strides to improve our environmental performance in recent years, and now we are aligning our corporate strategy with social and ethical improvements as well. To achieve our goals in this area we need to embed our responsibility and sustainability commitments through our people and our actions. To help define our strategy we have focussed our objectives across three key areas.



Protecting the Planet	Building trust	People and communities
Net zero pledge	Customers	Employees
Fleet efficiency	Product safety	Health and wellbeing
Water	Knowledge transfer partnership	Diversity, equity and inclusion
Waste management	Health and safety	Community partnerships
Responsible sourcing	Supply chain	
	Modern slavery	
	Corporate governance	

We are accountable to all of our stakeholders – our customers, employees, suppliers and the communities in which we operate. Maintaining and further enhancing the trust we have built is key. We will ensure we measure and accurately report on all our activities. We will share our successes, and equally, we will report when we have setbacks for the benefit of others to learn and to remain transparent.



Key principles we are using to guide us on this journey are as follows:

Transparency

We will ensure that we remain accountable to all our stakeholders, sharing progress and challenges in reaching our targets.

Measuring & verification

Using external verified benchmarks we will ensure we are reporting on accurate and evidence-based achievements.

Collaboration

Only by working together and sharing ideas, with all stakeholder groups, can we achieve our aims.

Learning

As our responsibility and sustainability improvement process is a journey, we continue to learn, remain inquisitive and seek to understand what best practice is and what has the highest positive impact.

**Protecting the
planet:**







**“In 2021 we
signed up to the
Climate Pledge,
committing
to reach net
zero carbon
emissions by
2040”**



Aligning to the Sustainable Development Goals

In 2015 the United Nations developed a plan to create a better future for society and the planet, through 17 Sustainable Development Goals. Governments, businesses, NGOs and wider groups of society have aligned themselves to these goals and created strategies to bring about positive global improvement, for all.

We have selected 7 goals that match our business activity and responsibility goals where we feel we have influence. As we continue to report on our social and environmental impact, we will document our achievements against these goals.

Good Health and Wellbeing	Quality Education	Industry, Innovation and Infrastructure	Responsible consumption and production	Climate Action	Life on land
					
<p>Ensure healthy lives and promote well-being for all at all ages.</p> <p>Promoting sleep as a core foundation of good health and making a difference to improve the health and wellness of our employees. Also working to provide allergen information and expand anti-allergen products.</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>Educate people, especially children, on the importance of sleep, and how sleep will facilitate better learning. By supplying science-based information, products via charitable partnerships and working with retailers we educate people on this important topic.</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p>Using research and product testing to develop mattresses that have sustainable design factors; using recycled materials, making mattresses lighter to transport, improving toxicity of flame retardants and improving recyclability of products post use.</p>	<p>Ensure sustainable consumption and production patterns.</p> <p>By considering the full life cycle of our products and identifying opportunities related to sourcing materials through to the by-products and impacts of during production to end of life after consumer use.</p>	<p>Take urgent action to combat climate change and its impacts.</p> <p>To protect and preserve our environment and reduce our global footprint by committing to The Climate Pledge - to be achieve net-zero by 2040.</p>	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p> <p>Working with suppliers to understand the ecological footprint of the materials we use and look to improve biodiversity in our supply chain and at our manufacturing site.</p>



Protecting the planet:

Climate change is one of the biggest issues facing society today and we fully recognise the urgency to take action and our responsibility in this regard. Greenhouse gasses, measured in tonnes of carbon dioxide equivalent (tCO₂e) is the leading cause of global warming and a key focus for governments, businesses and individuals alike.

In the last 4 years we made some great steps in reducing our carbon footprint, through managing our transport fleet and changing to renewable energy contracts. These constructive initiatives have resulted in a 49% decrease in our operational carbon emissions – but we can't stop there. To continue on this path, we are assessing the carbon emissions across our entire value chain spanning upstream and downstream activities, taking decisive actions to reduce emissions where we have control or influence.

Carbon reduction: Net zero pledge

In 2021 we signed up to the Climate Pledge, committing to reach net zero carbon emissions by 2040. This is ten years ahead of the Paris Agreement and at the time of writing this report, we are one of only 310 companies, and the first

and only sleep brand, making this pledge. Not only does this demonstrate how seriously we take the issue of climate change, but it also shows our ambitions to be leaders in our sector and proactively show what is possible in reducing carbon across our whole business operations.

We have committed to measure our carbon reduction activities in line with the Science-Based Targets initiative (SBTi). Science-based targets require a clearly defined pathway where companies map their programme to reduce their greenhouse gas (GHG) emissions. When a company submits their targets, they receive validation by the SBTi and must be tracked and reported on annually. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to limit global warming to under 1.5°C.

Our target is to halve scope 1 and 2 emissions by 2030, and to reduce scope 3 emissions by 28% by 2030.

During 2021 we undertook a full examination of our Scope 3 emissions to create our submission for the Science Based Target initiative. We have been able to ascertain that 91% of our emissions sit in our Scope 3 operations. To achieve net zero, not only do we need to work hard internally to reduce our operational emissions, but we need to collaborate with our supply chain and other external partners to make a sizeable impact in reductions. In 2022 we will be producing our first net zero plan, and in this we are disclosing our targets and actions across our purchased materials, our product design and by pushing for innovation across our supply chain and the mattress industry.



Carbon emissions

In accordance with the GHG protocol Corporate Accounting and Reporting Standard,¹ we have calculated our Streamlined Energy and Carbon Reporting (SECR) for our 2021-22 financial year. Our carbon emissions are detailed below in comparison to our baseline year, which was set in FY 2019-20:

	Emissions category	Baseline data	Current reporting	% Decrease from baseline
Scope 1	Diesel, Gas, etc	3,230.3	2,919	8.9%
Scope 2	Electricity	771	675	9.29%
Scope 3	Business travel	97.3	67.6	30.52%
Gross Carbon Emissions	–	4,098.60	3,662	10.7%
Less renewable electricity	–	0	(650.6)	–
Net Carbon Emissions	–	4,098.60	3,011.00	26.5%

¹<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>



Carbon reduction targets:

- Successfully receive independent validation of our carbon reduction targets by the Science Based Targets initiative (SBTi) to affirm our approach and timeline to achieve net zero by 2040.
- Investigate on-site renewable energy generation options at our manufacturing site to reduce our dependency on the energy coming from the centralised grid. The main manufacturing site is based in an old building, that is leased. We need to ensure any investment into onsite energy generation is achieved through positive collaboration with the owners.
- Install sub-meters – additional meters downstream of our main utility meter – to provide us with more granular energy consumption information and accurate monitoring of specific areas of the building, equipment, and the effectiveness of energy efficiency initiatives.
- Conduct an employee energy awareness review. The purpose of this is to re-educate employees on switching items off and conserving energy where possible. We will also produce energy guides for those that work from home.



Carbon emissions (continued)

We are currently preparing our net zero report, due to be published in 2022, where we will disclose the full impact of our scope 3 emissions. In the meantime, we are regularly evaluating ways to improve energy management and reduce our consumption. We continue with building improvement projects to make our sites more energy efficient. We have been able to transfer 95% of our lights to LED and insulate our main manufacturing site where possible, to prevent heat leakage. We have also conducted a survey to evaluate electricity demand levels across our manufacturing site. As a consequence, we changed our operational procedures to turn off unnecessary equipment and only turn these on at set times during the manufacturing process.

We have 10 properties that we lease in our portfolio, our main manufacturing site is in Lancashire and we use an office in Manchester, the other sites are storage and small retail outlets across the UK. The electricity at 3 out of our 10 sites is from renewable electricity contracts, that includes our main manufacturing site which has the greatest level of consumption at 3,028,244.6 kWh in the last year. As contracts expire, we will be switching the remainder of our contracts to renewable energy.

Energy consumption at our main manufacturing site		
	kWh	%
Gas	5,017,293	Representing 97% of total company gas consumption
Electricity	3,028,244.6	Representing 95% of total company electricity consumption



“In the last 4 years we made some great steps in reducing our carbon footprint, through managing our transport fleet and changing to renewable energy contracts.”



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Fleet efficiency

We have over 80 company owned vehicles, and in the reporting period we covered over 1.7million miles delivering our goods up and down the country. Our fleet consists of 27 trucks and over 100 trailers for urban areas. Over 3 years ago we introduced telematics systems to our delivery fleet and began to monitor driver behaviour, with a view to improve fuel efficiency. As a result, all our drivers are trained in how to accelerate and brake in the most fuel-efficient way. The results from this simple change have been dramatic. Over the last 4 years we have reduced fuel consumption by 100,000 litres a year.

We are continually monitoring the zero emissions technologies that exist across the freight sector and specifically for larger LGVs (Long Goods Vehicles). We are fully aware that to achieve our net zero ambition we will need to move away from diesel and petrol to electric vehicles. Until we can transfer the trucks in our fleet and the infrastructure exists to support long range travel with sufficient electric charging points for LGVs, we will continue to focus on improving efficiency across our fleet.

As well as managing our delivery fleet, many employees drive as part of their role. For certain roles in the business employees can choose a company lease vehicle or to have a car allowance and reclaim mileage.

As more options for electric and hybrid car models have come on to the market, we have seen that more employees are selecting this option. Through our analysis of staff mileage in company owned cars, we can see that employees driving hybrid or electric vehicles is having a clear positive impact on our carbon emissions. In the baseline year (2019-20) the emissions from our company owned cars were 43.2 tCO₂e, and in 2021-22 the emissions fell to 14.9 tCO₂e.

Fleet targets:

- Investigate route planning, to optimise delivery schedules and offer customers an option to choose “green” delivery slots.
- Issue a “green driver guide” to all employees to expand on the success of our driver training initiative.



Water

According to a statement from the Environment Agency in 2021², climate change will start to affect our ability to access clean and readily available water in the decades to come. Hotter, longer summers and unpredictable rainfall will result in water shortages in the UK. Also, old infrastructure systems mean that water is not necessarily stored and distributed effectively after periods of rainfall. While governments are looking to address this issue, as a manufacturing company, Silentnight cannot ignore our water consumption. We do not use water on our assembly production lines at our main site, but with over 700 employees and a large fleet of vehicles, we do need to account for the water we use and make conscious efforts to safeguard it.

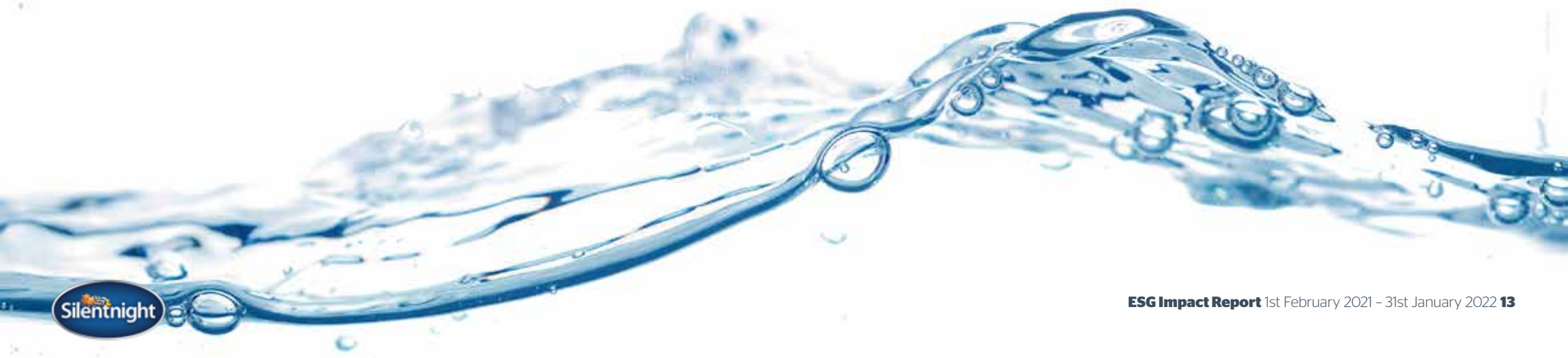
To wash our vehicles, we use grey (recycled) water from the Barnoldswick site, and we have also installed low flush devices in our toilets. We are also very conscious of what we pour down the drain, we carefully dispose of all our chemicals under COSHH guidelines and recycle substances where possible.

Looking forward, we need to closely monitor our water use through regular meter readings, to act quickly on leaks and research devices that can help us minimise unnecessary water use.

²<https://www.gov.uk/government/news/lack-of-water-presents-existential-threat-says-environment-agency-chief#:~:text=Hotter%20drier%20summers%20and%20less,quantity%20alongside%20water%20quality%20as>

Water targets:

- We will systematically monitor water use, by requesting accurate meter readings from water suppliers and use this data to inform reduction plans.



Waste management

We are always aiming to reduce the waste produced across our manufacturing operations, first and foremost. Any waste that is produced we aim to either reuse or recycle. We have interrogated all areas of the manufacturing process to identify 26 different waste streams. Good practice in waste management means following the waste hierarchy³, which ranks waste options according to what is best for the environment; prioritising waste prevention in the first place, with the least preferred being disposal in landfill. Our ultimate aim is to become a circular business, where we reuse and repurpose materials across our production lines, and to provide a system for mattress recovery and reuse at the end of life.

For our current waste management, we have worked hard to categorise our waste and make deliberate decisions on disposing of each stream in the most environmentally appropriate way. As a result, we are proud to be a business that has achieved zero waste to landfill status. Where we can't reuse or recycle an item, it is sent to a waste energy plant, also known as recovery, where through incineration, electricity it generated to produce power for UK networks. Whilst we are really proud of the progress we are not stopping here and have set new ambitious environmental targets that aim to further decouple our operations from their environmental impacts.



	Waste Stream	Weight Tonnes	% of waste
Reuse 36%	Sawdust	566	25%
	Wood offcuts	235	10%
	Scrap metal	30.18	10%
Recycle 42%	Polythene	185	8%
	Quilt (foam free)	288	13%
	Paper and Card	479	21%
Recovery 22%	General waste	392	17%
	(skip and compactor)	123	5%
Disposal/landfill	-	-	0%

Waste targets:

- Raise and maintain awareness among employees of progress and targets in waste management. Achieve a high level of engagement through coordinated waste awareness campaigns.
- Although the majority of materials in our mattresses are recyclable, consumers are not aware of how to dispose of old mattresses responsibly. The National Bed Federation (BNF), estimate the mattress recycling rate in 2018 was less than 20%. Its 2019 report (the latest available) suggests 7.26m replacement mattresses were sold in 2017, while only 1.363m were recycled. That's a recycling rate of 19%. We commit to doing more to encourage post-consumer product collection by collaborating with our retail and hospitality partners initially, not only to raise awareness of recycling methods but to devise ways to ensure that used mattresses are returned to us for recycling, so we become part of the circular economy.

Other waste streams we track and monitor:





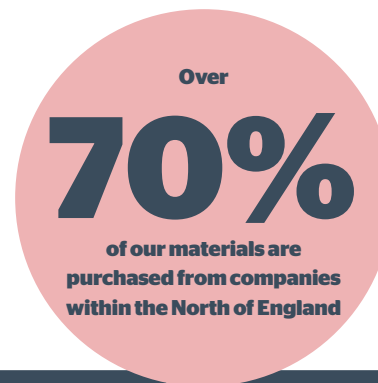
Responsible sourcing

To meet our net zero commitment, we need to assess the production and supply of the materials that make up our products. We have committed to working with suppliers to find materials that have a higher recycled content or can be recycled post use. Our aim is to find materials that fit into both these categories. We also need to consider how far our materials need to travel to reach us. Over 70% of our materials are purchased from companies within the North of England, in close proximity to the Silentnight manufacturing site.

We are always seeking to work with industry experts and our research partnership with the University of Central Lancashire is crucial in our efforts to advance innovation in our product development. We are currently investigating ways in which to lighten our mattresses, without compromising a high-quality sleep experience, by removing springs which will ultimately reduce vehicle load weight and associated carbon emissions.

Environmental protection is vital to preserve ecosystems around the world. This spans a number of activities such as pollution control, preventive deforestation and maintaining biodiversity. We are working with our supply chain partners to assess their processes and impact within these areas. All the wood we use is from FSC® Certified FSC® C104461 forests that are maintained and managed to optimise biodiversity. We also ensure that we are responsible in the use of environmentally safe chemicals. All the materials we use conform with REACH testing standards, and a number of our fabrics conform to Oeko-tex standards, which are independent research institutes that ensure the chemicals we use are safe to both humans and the environment.

We are consciously monitoring our raw materials, this table demonstrates our tracking across location, composition, and biodiversity for the year 2021-22.



Material	Location	Recycled composition	Recyclable	Biodiversity
Timber	Sweden	No	Yes	FSC® Certified
Timber Components	UK	Chipboard 30% recycled/45% waste MDF 100% waste Divan Card 100%	Yes	FSC® Certified
Spring Units	UK	Steel 15-20% Spunbond 30%	676	-
Fabric	Produced in China & Turkey	No	Depends on composition	Oeko-tex approved
Foam	UK	No	No	-
Polyester	UK	A mix of recycled and virgin/ recycled	Yes	Global Recycled Standard certified
Polythene	UK	30% recycled content	Yes	-
Cardboard Packaging	UK	95% of products are from 100% recycled board	Yes	-

Plastics

To protect the cleanliness of our mattresses it is necessary to wrap them in a material that will keep them hygienic and in the good quality condition that customers expect. The polythene sheeting packaging we use needs to be robust enough to withstand the delivery of the mattress, without compromising the condition of the product. At present we are using plastic packaging to wrap mattresses with polythene that has 30% recycled content.

We have been working in collaboration with one of our suppliers who uses polyester with recycled content. Recycled polyester uses small flakes made from ground down recycled plastic, which are in turn washed, dried and melted so they can be spun into new polyester fibres. On average, every year we save the equivalent of over 105 million bottles from entering our oceans or being thrown into landfill via this recycling method. This process is verified by Global Recycle Standard, an international third-party authentication intended to meet the needs of companies looking to verify the recycled content of their products, and to confirm responsible, environmental and chemical practices in their production.

On average every year we
save the equivalent of over

105 million

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in our packaging

Material sourcing targets:

- Continually assess and measure raw materials and make efforts to further reduce virgin materials in our products. We are introducing a new supply chain dashboard in 2022 that will be a central repository for all our material and supplier information. We can use this tool to access real-time data on our raw materials and set KPIs to improve recyclability or recycled content.





**You can sleep easy knowing that
we're working tirelessly to reduce
our impact on the environment**



A photograph of a family in a bedroom. A woman with red hair is sitting up in bed, looking towards a man who is lying on his back. The man is holding a young child in the air. They are in a room with a large blue wardrobe in the background. To the left, there is a wooden nightstand with a lamp and some books. To the right, there is a beige armchair and a rug. The floor is made of light-colored wood. In the bottom right corner, there is a white line-art icon of a hand with the index finger pointing up.

Building trust:
“Our mission is to be
the most trusted sleep
brand”



Building trust:

Our mission to be the most trusted sleep brand is achieved by a strong set of processes, and by setting first-class standards that are implemented by an engaged loyal group of employees, who put the customer first and work hard to uphold the highest ethical principles. By investing in all these factors, we have been able to deliver on our business and social goals.

Customers

Teams across the business work hard to ensure all our customers receive the highest levels of customer support. We know that customers want quality, durability and peace of mind when making a mattress or bed purchase. The Silentnight Guarantee has been designed to give reassurance and a clear method for customers to make a claim, in the unlikely event they need to. All our mattresses, beds and headboards come with a full manufacturer's guarantee. We also offer advice on how to care for products, how to wash the fabrics and ultimately prolong the life of the item.

It is important that we are connecting regularly with customers, responding to feedback and resolving issues as quickly as we can. We use direct feedback mechanisms like Trustpilot, SurveyMonkey and the services of external feedback companies to assess customer satisfaction.

We work to solve questions or concerns promptly and have a weekly performance report to keep track of recurring themes. We analyse this data with key internal departments including product development, supply chain and dispatch, so we can solve problems and optimize our service.

Product safety

We are proud to be an approved member of the British Furniture Manufacturers Association, that champions quality British manufacturing.

At Silentnight we put a great emphasis on product development, testing and quality assurance, so we bring our customers the best possible sleep products. Our commitment in this endeavour is evidenced by the investment in our own sleep laboratory at our manufacturing site in Lancashire.

Each year we maintain our ISO 9001 Quality Management System accreditation for our testing lab to certify that we have the appropriate systems and testing procedures in place. All our testing is done in a safe and controlled environment, so it is repeatable and reliable. We investigate durability, flammability, chemical safety, temperature control and cleanliness. We proudly do more testing than is required by British standards to ensure we leave no stone unturned. The results speak for themselves, our mattresses and products continue to win awards with consumer groups like Which? and Mother and Baby.

We are audited by SATRA on an annual basis. SATRA is the UK's biggest testing house for all products, to ensure products are safe to sell to customers. There are only 10 labs in the UK that are both SATRA and ISO 9001 accredited, like us.





University of Central Lancashire - Knowledge Transfer Partnership

In 2017 we formed an important relationship with the Biomechanics Department at the University of Central Lancashire, called a Knowledge Transfer Partnership, with the primary goal to confirm our claims with science. When we say we offer expert choice, we really mean it.

This partnership allows us to investigate all areas that will affect a person’s quality of sleep. We perform a huge range of tests that mimic sleep conditions, looking at variables like temperature, light, pressure points, humidity and overall comfort. With this knowledge we inform our product development teams, who create a range of mattress compositions to tailor for every type of sleeper.

This is truly a crucial partnership that will help define the future of quality sleep products, and environmentally conscious ones too.

Health and Safety

All our employees should carry out their role knowing they work in a safe environment. We follow the HSG65 framework to Plan, Do, Check and Act. Every person that works at Silentnight receives the appropriate level of health and safety training relevant for their role and know their responsibilities to keep team members and the site safe. We have a risk control evaluation six times a year to keep our systems in check, and we are externally audited by Sedex who review the safety and welfare of our employees.



Supply Chain Management

As with all manufacturers and suppliers, our supply chain has faced some challenges in recent years, with material shortages, increased demand and the effects of the global COVID-19 pandemic. The pandemic in particular has revealed some vulnerabilities across the globe, with disruption to supplies and extended time frames for delivery or manufacture of items.

We are fortunate that the majority of our first-tier suppliers are based in the UK, where we have been able to build long term and effective working relationships. Our supply chain management is an important part of our sustainability and responsibility approach. We engage with key suppliers to strive for best practice and high ethical standards. Every supplier in our network is required to sign an agreement that checks their compliance to our ethical trading code. Suppliers need to have modern slavery safeguards in place, to meet REACH (Registration, Evaluation, and Authorization and Restriction of Chemicals) compliance and adhere to POPs (Persistent Organic Pollutants) regulations.

As the restrictions ease on travel after the COVID-19 pandemic we will be reinstating visits with our international suppliers, where we can continue to monitor ethical standards and build initiatives for better environmental practices.

To build more robust processes in this area and gain greater transparency, we are investing in a dashboard that will give us better visibility of our supply chain interactions, allow us to make smarter decisions on buying, and to better evaluate risks.

Supply chain target:

- In 2022 our supply chain team are launching a dashboard system that will monitor supplier interactions and improve traceability.



Modern Slavery

Silentnight operates a zero-tolerance policy in respect of modern slavery and human trafficking and is fully committed to acting ethically and with integrity at our locations and in all our business dealings and relationships, in order that customers can purchase our products with the confidence that the person making their product has not done so under a breach of modern slavery. We have a clear policy published on our website that is reviewed and signed off every year to ensure our compliance.

Additionally, we aim for our immediate suppliers to operate to the highest standards and use our influence through contractual terms to ensure that slavery and human trafficking is not taking place within their operations, together with their assurance that they seek similar commitment through their own supply chain.

Modern slavery target:

- In the coming year we are planning to roll out modern slavery training to all manager level employees, with the view to ensure that best practice is monitored across teams and should an incident be identified there is a clear understanding of how to act on it.

Corporate Governance

In retaining our manifesto as the most trusted sleep brand, we not only focus on customer satisfaction and quality products, but our business upholds the highest governance standards. We are committed to acting with integrity and honesty across all our stakeholder relationships. To achieve this, we have robust policies that are regularly reviewed, with a named policy owner and clear expectations set out for employees. Key policies and processes that direct our stakeholder interactions include:

Anti-bribery and corruption

It is unacceptable for any employee of Silentnight to accept or offer a bribe. We take a zero-tolerance approach to bribery and corruption, and our policy informs employees of the rules about accepting gifts and our expectations in this area.

Whistleblowing

To support our modern slavery, anti-bribery and corruption, and grievance policies is a clear whistle blowing procedure. Employees can follow a defined process to raise a concern, with the confidence that there will be no personal repercussions.

Cyber security

Cyber security threats are a growing concern for all businesses. We have a cyber security function in the business to keep our systems protected and identify risks or areas where we are vulnerable. This is a continual process of review and testing, to make sure that our systems keep up with the sophisticated ways in which attacks can happen.

Governance targets:

- As part of a review process, we are revisiting our cyber security policy and will ensure any changes are communicated to employees with the relevant training.
- A large proportion of our employees do not have access to a computer at work, so we are devising a system where all employees have the freedom to access and read policies.

Data protection

We hold data on our employees, customers and suppliers and we have a responsibility to safeguard this information. We have a dedicated Data Protection Lead who has the duty to manage our data protection processes and policies, and report on breaches to senior management. We also have a data retention policy and KPIs to respond to customers, so they can easily request the removal of their personal data.

Supplier Code of Conduct

For all existing and new supplier relationships we issue a Supplier Code of Conduct. Each supplier is asked to confirm their actions and compliance to uphold modern slavery legislation and demonstrate how they meet environmental regulations on REACH and POPs testing.

People and community:
**“Our employees are the most
valuable asset at Silentnight”**





People and community:

Our employees are the most valuable asset at Silentnight. Attracting, developing and retaining colleagues with the appropriate skills, knowledge and motivation is key to our long-term success. Caring for the community and using our influence to support charity partners is also something we prioritise.

Employees

We employ 700 people who each play an important role in the success of our company. It is our commitment to these individuals that we provide a safe and healthy workplace, but also ensure a culture of collaboration, inclusivity and allow room for personal development. We are excited to be creating a new strategy that will support our employees to thrive. This will be achieved through training and development, investment in wellbeing and emboldening our organisational culture.

To ensure we are meeting the right working standards for all our employees we are accredited members of two external verification organisations:

Sedex

We are a member of Sedex, a not-for-profit organisation that's dedicated to driving improvements in ethical and responsible business practices. Membership allows both buyers and suppliers to store, share and view information transparently on various supply chain practices, like labour standards, health and safety, the environment and business ethics. Every year Sedex visit our site and conduct a thorough audit of working conditions, operational activities and supplier processes, then produce a range of recommendations to improve standards.



Ethical Trading Initiative

As a proud member of the Ethical Trading Initiative (ETI), we have adopted the ETI base code of labour practice which promote important worker's rights issues such as: free employment, hygienic and safe working conditions, the living wage and indiscrimination in the workplace.

Employee communication

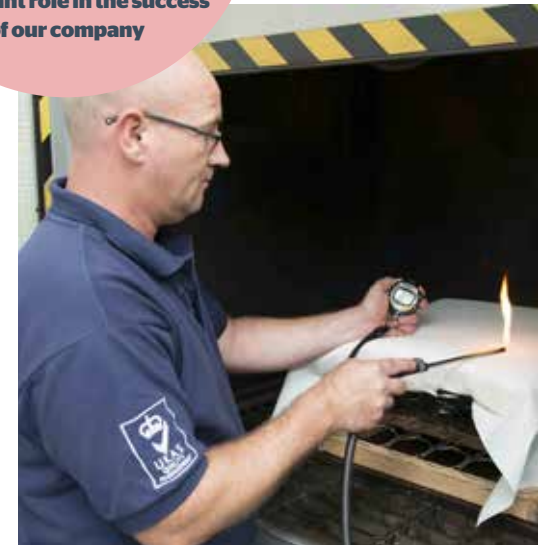
As with our customer satisfaction objectives, we also want to ensure we have a clear way for employees to communicate with the company leadership teams. A key function to facilitate employee engagement is through our effective Joint Consultative Committee. This forum is a productive way for the company to discuss and resolve issues together. It also provides a way for the leadership to present their ideas to employees and listen to their views and any concerns.

Employee engagement target:

- In the coming year we will be conducting a baseline survey on employee satisfaction. We commit to using the data from this survey to inform our future programmes and identify where our leadership can best support our employees.



We employ
700
people who each play an
important role in the success
of our company



Training and development

We have a large number of skilled and talented employees who fill the many roles across our manufacturing and business functions. It has always been important for Silentnight to recruit and train highly skilled and motivated people. The focus of our new training programme will be to ensure we have a strong coaching and support culture, to harness the talents of our employees. For 2022-23 we have mapped out over 2,300 hours of managerial development workshops, on subjects including, decision making, problem solving and inspiring others.

Apprenticeship programme

In addition to the training programmes we deploy, we are proud of our long-established, award-winning apprenticeship scheme. Open to anyone, this programme gives people the chance to gain a qualification and meaningful on the job skills to support a career at Silentnight. We have placements across a wide scope of the business, from IT support to, customer service to manufacturing, and we are pleased to be able to offer permanent employment once the training is completed. We have successfully supported over 56 individuals since our scheme began in 2011. As a relatively large employer we want to ensure that we are offering opportunities for individuals regardless of their background to join our teams and gain a qualification.

Trainee and development target:

- We have devised a comprehensive managerial development programme that will be rolled out in 2022. This programme will ensure the people who lead our organisation have the right skills and values to support and inspire their teams.



We have mapped out over

2,300

hours of managerial
development workshops

Health and wellbeing

Physical wellbeing has been a strong aspect of our employee management for many years, and we have effective safety and training procedures in place to protect employees as they carry out their work, such as manual handling training and access to an onsite physiotherapist. Additionally, during our Sedex audit, employees are asked about their welfare and working conditions, so we have external systems to check we are meeting health needs and receive feedback on where we can improve.

We recognise that we also need to highlight the importance of mental wellbeing and provide the right support for our employees. We ensure everyone has the confidence to feel physically safe when they come to work, but we also want to extend that assurance to their psychological wellbeing. Over the next year, we have exciting plans to integrate mental health awareness into our employee culture. A combination of training, awareness raising, and external speakers not only offers practical advice but creates a culture where it is OK for our employees to be asking for help.

Wellbeing targets:

- To build on physical wellbeing support we will be focussing on mental wellbeing through the following actions:
 - 1) Employment of an onsite nurse
 - 2) Wellbeing seminars and workshops discussing aspects of mental wellbeing and generating a culture of openness and acceptance
 - 3) The introduction of Mental Health First Aiders across business functions
 - 4) As part of our managerial training programme there will be a specific session on wellbeing for managers, so they have the tools to support their teams and recognise symptoms of mental ill health.



Diversity and Inclusion

Through our product development we recognise that everyone is different, and we create a variety of products to inspire better sleep for every unique sleeper. We echo that sentiment with our employees. We value everyone and every job they do to make our company the most trusted sleep brand.

For us, diversity is not a box ticking exercise, we believe that diverse perspectives will help drive innovation and challenge us to think differently. We must use our employee engagement activities to listen to the mixture of voices in our business and create a culture of inclusivity. During 2022 we are encouraging employees across the business to share their stories, and lead on activity that highlights the diversity that exists in our company. In addition, we are training our managers to recognise where biases might occur, to ensure processes are fair and transparent and to encourage employees to fully be themselves at work.

Gender pay

We believe that pay equality is of high importance and we value the legislation for companies to be more transparent on gender pay. Our gender pay calculations taken as of the snapshot date 5th April 2020:

- Median hourly pay is 0.4%
- Mean hourly pay is 10.4% - largely due to the fact that we currently have fewer females in senior roles, which pushes the average pay rates higher in favour of males. To improve in this area we are working to establish more female representation at senior level through careful promotion and recruitment.
- Bonus pay gap is 0% - all males and females receive bonus pay.

Our bonus pay gap is

0%

All males and females
receive bonus pay

Diversity and inclusion targets:

- Training for manager level employees on Diversity and Inclusion will be provided, to create awareness and a culture of inclusivity among the company's leaders.
- A mixture of employee led activity will be carried out, to provide a voice to employees and create role models across the business.



Community partnerships

A long-established part of our history has been to support the community, either in the local area where we are based or via donations to charities that have the same social or environmental goals as us. Our employees often participate in our community engagement activity, like planting trees or granting gift in kind product donations.

We have a long-standing partnership with the Marine Conservation Society, pledging our support to ensure our seas are healthy, pollution free and protected. Annually we provide a financial contribution so the charity can continue their important work. Our employees have also taken part in beach cleans, to recognise the importance of preventing plastic pollution and preserving our beautiful coastlines.

This year we have started a partnership with Zarach, a charity that supports families who are experiencing poverty and do not have adequate beds or mattresses. We have donated our products to ensure that these families can have a decent night's sleep, which is the foundation of good health.

We are also proud sponsors of Barnoldswick football team, and support grass roots sport activity in the community local to our main factory site.



Community targets:

- Training for manager level employees on Diversity and Inclusion will be provided, to create awareness and a culture of inclusivity among the company's leaders.
- A mixture of employee led activity will be carried out, to provide a voice to employees and create role models across the business.





Conclusion

We feel that drawing these strands of our responsibility and sustainability manifesto together are a strong step in the right direction for the future of Silentnight. Our company has been in operation for over 75 years and in that time a lot about the business, and the world around us, has changed. As we have set out our goals in this report for the first time, we have focused on where we believe we can make a difference and remain committed to challenge ourselves in the years to come.

We have a lot to be proud of on our journey so far and remain positive about how we can achieve a more sustainable future, while remaining accountable to our employees, customers and communities.



Our commitments in 2022:



Protecting the planet

Objective	Target date	Activity so far
Release of our net zero targets	June 2022	Calculation of scope 3
Validation of our net zero pledge through the Science Based target initiative	October 2022	Submission completed in Feb 2022
Investigate on-site renewable energy generation	By January 2023	
Install sub-meters for more granular energy consumption data	By January 2023	
Conduct an employee energy awareness review	By January 2023	
Investigate route planning for deliveries	By January 2023	
Issue a “green driver guide” to all employees	By January 2023	
Systematically monitor water use	By January 2023	
Awareness of environmental best practice among employees	By January 2023	
Encourage post-consumer product collection	By January 2023	
Access real-time data on our raw materials and set KPIs	By January 2023	



Building trust

Objective	Target date	Activity so far
Modern slavery training to all manager	September 2022	
Launching a supplier dashboard system to improve traceability	By January 2023	
Review our cyber security policy	By January 2023	
Deploy an integrated policy portal for employees to access company policies	By January 2023	

Objectives summary (continued)



People and communities		
Objective	Target date	Activity so far
Conduct a baseline survey on employee satisfaction	June 2022	
Roll out of managerial development programme	October 2022	
Wellbeing initiatives:	By January 2023	
Onsite nurse employed	By January 2023	
Seminars on wellbeing	By January 2023	
Introduction of Mental Health First Aiders	By January 2023	
Managerial training on wellbeing	By January 2023	
Training for managers on diversity and inclusion	By October 2023	
Employee led diversity and inclusion activity	All through 2022-23	Celebration of International Women's Day on 8th March
Build relationships with community partners	All through 2022-23	
Closely track the Silentnight charitable contributions	All through 2022-23	
Involve our employees in our charitable giving	All through 2022-23	



Working in partnership with:



An intelligent approach to energy, waste & sustainability

Sustainable Advantage
Hersham Place Technology Park
Molesey Road, Hersham
Walton-on-Thames
Surrey
KT12 4RS

info@sustainable-advantage.com

sustainable-advantage.com

0203 544 2030

