

S U S T A I N A B I L I T Y
R E P O R T 2 0 2 0



AW HAINSWORTH®

QUALITY IN TEXTILES SINCE 1783

CONTENTS

What sustainability means to us	5
What sustainability means to our family	6
What sustainability means to our employees	9
Dumfries House Declaration	13
Our responsibility to the environment	15
Energy and emissions	16
Water management	17
Our focus on production, procurement and logistics	18
Waste management	20
Our responsibility to the local community	25
Charitable precedent	25
Expanding knowledge	26
Strengthening regions	26
Creating prospects	26
Respecting communities	28
Affordable living	31
Our Responsibility to our employees	35
A work life balance	36
Diversity	37
Continually developing	37
Taking care of each other	38
Making workplaces safer	39
Safety by choice and not by chance	40
Our commitment to our customers and supply partners	43
Small details are huge	45
Integrity matters	45
Forever innovating and achieving	46
Respect the past, create the future	52





What sustainability means to us



At Hainsworth we manage sustainability in a wide variety of ways. Our sustainability activities aim to support the communities in which we operate, while satisfying the necessities and ensuring that our customers receive only the best products and services.

We believe that acting responsibly with regard to sustainability strengthens our company, encourages growth and is the base for Hainsworth remaining a successful independent family business for generations to come.

Our diverse approach to sustainability not only covers the more obvious environmental issues but has a large focus on people and communities. Education and opportunity combined with a work life balance open the doors to individuals finding their own path to achieving sustainability. I hope that this document is able to give you an understanding of the work we are currently undertaking, our beliefs and motivations and also inspiration for the way in which you too can contribute towards sustainability.

Andrew Wright, Non-Executive Chairman.



What sustainability means to our family

The Hainsworth family shareholders remain committed to supporting a healthy business which aims to be around for the long term. Our business has benefitted from family support from past generations and we continue to design our future business with a long-term outlook engaging future family generations. With that longer view comes a strong sense of stewardship, caring for employees, providing employment in the local area and valuing our connections within the community.

We recognise that a sustainable business must be built around an operating model that renews rather than depletes resources, that balances the will for growth with the need to conserve and that provides stability whilst adjusting rapidly to changing market conditions.

We are a working mill, living alongside residential and other business stakeholders, we therefore remain respectful when sharing this space. We believe that this reflects the values of familial loyalty and responsibility, as well as greater sensitivity to the social and environmental footprint of Hainsworth. We are pleased that we maintain long term employment within the business whilst encouraging succession planning through training and development. We continue to reinvest in the business and promote innovation where products and processes are created with sustainability in mind.



What sustainability means to our employees



JORDIN SLADEK
Health and Safety and Environmental Manager

Our very existence on this planet is dependent on us all changing our habits, needs and expectations to view the planet as our home rather than a resource for exploitation. Business too must adopt the sustainability development model of protection of the environment e.g. adoption of methods to reduce consumption, social responsibility of fair wages and economic responsibility to pay fair taxes.

We all need to consider in our daily lives the waste hierarchy. For too long we have not adopted a structured approach to how we deal with what we use, for example single use plastic or fashion garments or fast fashion. The waste hierarchy asks you to consider reduced use, then reusing items before recycling which seems to be the in method at the minute. Hopefully we change before it's too late.

MARTIN HOWARTH
Technical Manager

Sustainability is simply meeting the needs of today without compromising the future needs of our children and their children. We should always be mindful that whenever possible our actions both at home and at work have a positive impact on people and the environment.



STUART BROWN
Technical Colourist

To me sustainability revolves around my lifestyle choices. I now have a much healthier regime of regularly exercising and eating a plant based, whole foods diet. I believe this helps to sustain my own sense of wellbeing and health, and also helps to sustain the planet we live on due to the lesser impact farming crops has on the environment when compared to farming livestock.



MARTIN SCOTT
IT Technician

As a self-confessed worrier, I worry about the damage we've already done to our home. Working for a sustainable company means we're encouraged to reduce emissions and our carbon footprint, which gives me confidence that we're heading in the right direction. I'm proud of the sustainable work we're doing, and of the work we plan to do.

MARK LIEBRAND
Quality Systems Technician

If it can't be reduced, reused or recycled, it should be redesigned to support a strong and healthy environment for future generations to enjoy. The change needs to start at the source. For a majority of my life I have been involved in water sports such as surfing and kayaking which has allowed me to enjoy what mother nature has to offer. It has always been important to me to take care of our oceans, rivers and the planet in general. We only have one Earth and it is our soul responsibility to work together to protect the very place we call home. We are powerful when we come together. We are obligated to protect our home. It is our duty.



MATTHEW LAMBERT
Winding & Warping Technical and Team Leader

To me sustainability is about using our natural resources responsibly and in a way that does not deplete them so we can preserve them for future generations. I think to achieve this we need to innovate to find new materials to reduce the pressure on natural resources, but it is not always possible. We are known for the wool in our products and can't replace it with other fibres. Because of this we need to get the most out of the virgin wool we use and recycle our waste wool as much as possible. I believe this is even more important at the moment because of how the wildfires in Australia have impacted wool availability.



**ADAM HAINSWORTH
AND CHRISTINE SHEARS**
Director and Business Support Administrator

Sustainability in the workplace means making choices wisely to help the business long term which in turn will also help the environment and keep costs down for the business. We help our workforce by growing our own vegetables & salads on site and we also have hens for fresh eggs and bees for honey.

We encourage colleagues to help plant and grow items including flowers and they can then help themselves to fresh ingredients when ready, no pesticides are used and in doing this, it has led to staff 'growing their own at home'. It's lovely to see the colourful tubs of flowers and plants lining the mill yard as you walk down.



JULIE ROBERTS
Marketing Manager

To me, sustainability is about being mindful about what we as individuals, families and businesses consume and doing all we can to minimise any negative effects on others and the world, while actively maximising the positives that we can influence. It is about taking care of more than just our planet but also the people that inhabit it and trying to ensure that we contribute to a healthy and long term environment for generations to come.



ALAN COATES
Maintenance Manager

Sustainability is imperative to ensure the resources of our planet are not exhausted and are available for the next generation, so they can enjoy this planet as we have. Historically in manufacturing, the maintenance/ engineering function has focused on sourcing plant and equipment that produced the best manufacturing efficiency for the least amount of investment. However, this is no longer the case; we now take a holistic view of efficiency, investment and the environment. My role is to identify innovative methods to reduce the environmental impact of our operations and indeed the cost.



Dumfries House Declaration

In September 2016, Hainsworth attended a gathering of industry influencers at Dumfries House on the invitation of HRH The Prince of Wales. We subsequently signed the Dumfries House Declaration and have worked since to promote wool and the industry through a 10 point declaration of intent to support an environmental, responsible, sustainable and commercially viable wool industry.

1. Wool is 100% natural
2. Wool is a renewable resource
3. Wool forms part of a natural carbon cycle
4. Wool is a natural alternative to wasteful consumer practices
5. Wool was made for recycling
6. Wool is biodegradable
7. Wool is naturally odour resistant
8. Wool is fire resistant and fire retardant
9. Wool improves indoor air quality
10. Wool is welfare assured

We are proud to hold the Royal Warrant for supplying interior furnishing fabrics to Her Majesty the Queen. The Royal Warrant is special to us in more than the obvious accolade for which we are extremely honoured. It has been a driver for us to create the projects and initiatives that complete our statement of intent towards building a more sustainable future. This brochure can be attributed to the wonderful work the Royal Warrant association does to promote sustainability.



THE CAMPAIGN FOR WOOL
PATRON: HRH THE PRINCE OF WALES



Our responsibility to the environment

Our environment faces many challenges and the textile industry faces a time of great scrutiny. It is vital that all involved take ownership of their own actions and work to utilise resources within a sustainable manner. Hainsworth have fully committed to multiple projects implemented to protect both our environment and its resources for future generations and as a business have established an Environmental Team to ensure that this remains a priority.

As a truly vertical mill we are uniquely positioned to minimise our carbon footprint. We are able to fully process a product from raw fibre to finished cloth entirely onsite. This means that the impact on the environment is vastly within our control to improve and perfect, with minimal miles applied to the product.

As a business we apply a five tier approach to waste management. We have employed this to enable us to assess opportunities where we can reduce waste, not only for ourselves but also enabling our customers to improve their own sustainability credentials. We have implemented numerous environmental activities such as the reduction of plastics within our mill, improved wood and card recycling, lighting efficiency as well as investing in new machinery to reduce energy consumption and emissions.

As a textile manufacturer we do use chemicals within our production process. We comply with all REACH regulations to ensure safety and minimal environmental impact at all times.

We are able to fully process a product from raw fibre to finished cloth entirely onsite.



ENERGY AND EMISSIONS

We have effectively managed our usage of gas and electricity within our mill, and have shown a decrease in both electricity and gas usage per metre of production for four consecutive years. We are proud to have achieved an overall reduction in electricity per metre of 28% and gas 39% from 2015. These reductions have been achieved by considered investment in new process and machinery. Among the key investments made were the installation of a number of invertors within key processes, including cold process water pumps and the pumps used in our dye flock pit. We also invested in a new energy efficient boiler, compressors, winches and a new hydro, all of these items were purchased mindfully to continually reduce the utilities consumed by our manufacturing.

In addition to the investment in new machinery a significant project has been undertaken in 2019 to upgrade lighting throughout the mill and offices to reduce the associated carbon emissions. A total of 134 light fittings were changed from fluorescent battens to LED battens. This resulted in an estimated yearly reduction of 19.02 tonnes

Table No. 1
Electricity Usage per Finished M

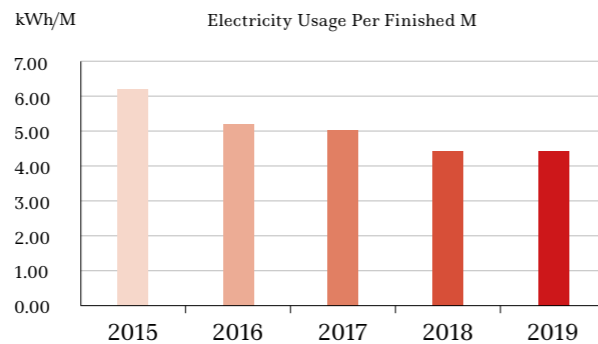
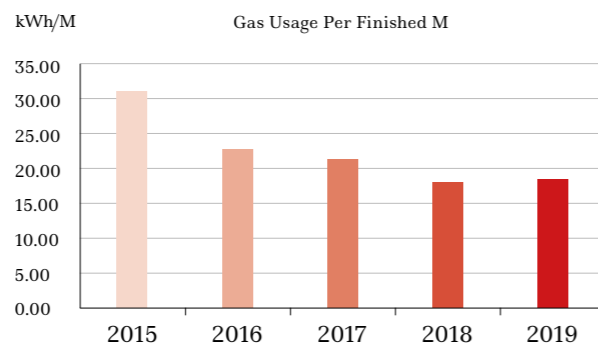


Table No. 2
Gas Usage per Finished M



of carbon, equating to a 58% decrease on the previous fittings. To allow us to more effectively monitor, control and understand the key manufacturing processes and the usage of utilities to drive the correct decision and evidence based continuous improvement, we have established a fully integrated data collection and monitoring system. This monitors and records resources used in 7 key production areas of the mill, in particular we have established closer monitoring on the jiggers which have a very high percentage of water usage, and the tentering process which has a high production percentage usage of gas and electricity. This extra visibility will ensure that through 2020 we are able to put in place the necessary measures to improve our resource usage even further.

WATER MANAGEMENT

Over a three year period, we have reduced water usage by 17.5% or 23929 Cubic Metres despite an increase in metres manufactured over this period. Work continues in a number of areas on water saving initiatives, in particular the automation and control of flow and rates of flow in dye vessels, jigs and water using processes. It remains a key area of focus and consideration for the environment, cost, quality and consistency for the business. In 2019 we continued our annual reduction of water usage in our production process with a further year on year reduction of 19% of water used per metre of fabric produced, bringing us to an overall reduction of 37.5% since 2015.

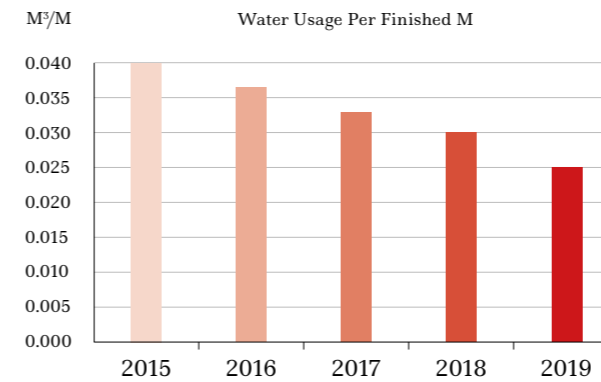


Table No. 3
Water Usage per Finished M

In line with this we have also reduced the effluent per metre of fabric produced significantly to a total reduction of 20.11% since 2015.

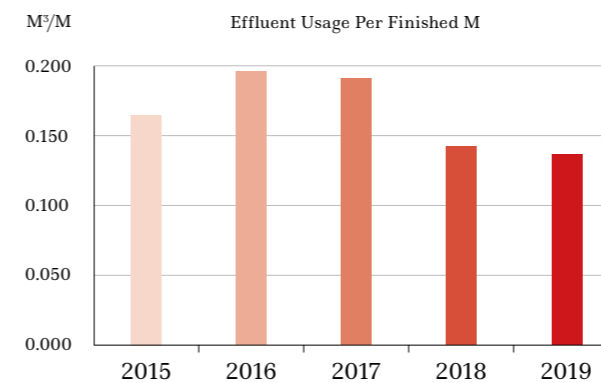


Table No. 4
Effluent Usage per Finished M

We have achieved these reductions through the implementation of a number of new pieces of machinery and altered processes, including automation of winches within our production process and the automation of three jigs. Our commitment to a further reduction will continue in 2020 with the installation of a new winch in our dye house which will be both energy and water saving due to following an automated process eliminating any human error and subsequent over usage of water.



OUR FOCUS ON PRODUCTION, PROCUREMENT AND LOGISTICS

Hainsworth are predominately a woollen mill supplying woven, milled and dyed fabrics to the market. We purchase merino wools from Australia and Pure New Wool crossbreeds from New Zealand and a small percentage of British Wool for our more speciality technical products. Wool which is our main raw material is a naturally sustainable, all-natural, renewable fibre, grown on sheep and is a planet-friendly fibre for many reasons:

(Extract taken from: International Wool Textile organisation (IWTO))

- Sheep are part of the natural carbon cycle, consuming the organic carbon stored in plants and converting it to wool. Fifty per cent of the weight of wool is pure organic carbon.
- Wool products have long lifespans, meaning they are used or worn longer than other textile fibre products.
- Wool textile products tend to be washed less frequently at lower temperatures which has a lower impact on the environment.
- Wool is one of the most recycled fibres. With a market share of 1,3% of all textile fibres, wool claims 5% within the recycled fibres market share, identifying wool as a suitable fibre for recycling.
- Finally, at the very end of its lifespan, wool biodegrades readily.

Sustainability in the Wool Industry

Wool, used in the production of a product, like any other raw material, affects the environment in some way. Groups and individuals interested in sustainability and ethical behaviour naturally want to understand how wool affects the world around us and to make informed choices accordingly. The wool industry is dedicated to making wool and its environmental qualities more understandable. At the same time the wool industry is benchmarking its own environmental performance for constant improvement and compliance to high environmental regulations. IWTO and its members regularly invest in scientific research and information on the topic of wool and the wool industry's sustainability credentials.

Understanding Wool and the Carbon Cycle

Wool is a short-term store of natural, renewable carbon. Pure organic carbon makes up 50% of the weight of wool, which is higher than cotton (40%) and wood pulp-derived regenerated cellulosic such as viscose (24%).

Where does this carbon come from? From the plants that sheep eat. Wool is produced in extensive pasture systems, where the sheep eat grasses and herbs. These plants convert the carbon from the atmosphere (photosynthesis) into organic compounds that the sheep then use to grow wool. This is a natural, renewable, ongoing process through which carbon is sequestered from the atmosphere.

While the carbon is stored in wool and thus isolated, there is less carbon in the atmosphere. This mitigates climate change. By how much? Converted into CO₂ equivalents (CO₂e), 1 kg of clean wool = 1.8 kg of CO₂e. In 2014, the global wool clip represented approx. 1.05 million tons of clean wool which equals 1.9 million tons of CO₂O. All of this carbon is removed from the atmosphere while the wool is being used, and wool garments and other textiles are used for many years. Wool is also one of the most recyclable fibres.

We only purchase our wool from companies that adhere to the guidelines set by the IWTO. Every shipment comes with a certificate of origin and scour certificate, free from NPEO / APEO surfactant application.

Hainsworth are audited annually and carry the ISO 9001:2015 as well as the AS9100:D certificate for our transportation interior fabrics. We also have our own in house testing facilities which are UKAS 17025 accredited.

As part of the ISO and AS standard, all our raw material suppliers are audited. In addition Hainsworth representatives visit the source and receive frequent visits to our mill from the main organisations and farmers. We are committed to fully understanding and remaining close to the source.



WASTE MANAGEMENT

Scrap Cones

Historically the business had been sending plastic scrap cones from production to landfill, at a weight of 24.4kg plastic per week. The reduction of this waste was highlighted as a priority by the environmental team. Following an assessment of the process leading to the waste it was highlighted that it would be possible to reuse the cone internally following a change of standard operating procedure and purchase of additional machinery. Investment made by the business in the required components and in the necessary colleague training means we are now aiming to reduce the cone wastage to landfill to zero in 2020, a reduction of approximately 1269kg of plastic waste per year.

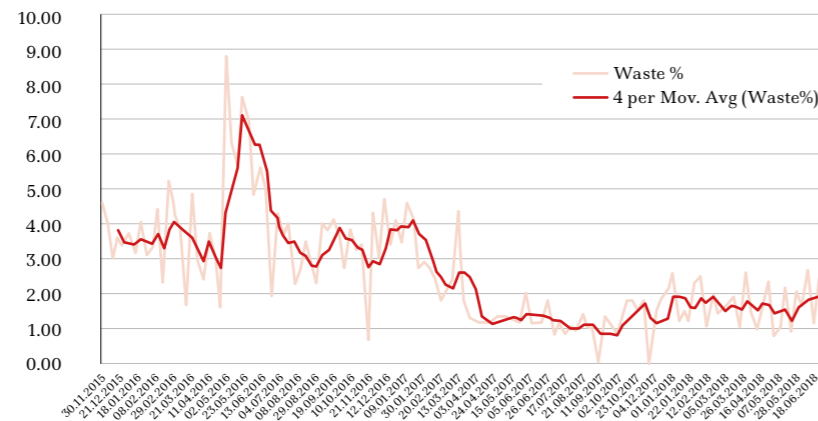
Air Jet

In 2018 we identified the possibility to reduce waste through the production of one of our products. The business invested in a new airjet loom, reducing weft wastage on this product by 2%. This reduction in selvedge waste means less yarn needs to be ordered and transported, reducing the carbon footprint further.

Carding Improvement Process

Hainsworth is a fully integrated vertical woollen mill, processing the fibre to finished woollen cloth and as such it has many waste streams. In 2017 we established a project specifically to look at reducing waste through our blending, carding and spinning processes with the aim to reduce fibre wastage from 4% to 1%, historically wastage has run as high as 5%. The project has and continues to deliver improved yields based on output. We have set a target of less than 1% loss via the winding process. This process clears 7000kgs per week. Annually 336,000kgs. With a loss of 1% this equates to 3360kgs annually.

Table No. 5
Winding Waste %



In alignment with the waste reduction process we also identified opportunities to recycle an amount of the waste fibre into suitable products with commercial viability. This allows us to have the very realistic aim of reducing our waste through this production area to 0% for 2020.

CASE STUDY - PACKAGING

A project team was created at the beginning of 2019 to look at the use of packaging in our supply of products to customers worldwide. The main objectives were to assess the use of packaging materials and how we could remove, reuse and reduce. Separate projects have included the switch from bubble wrap to reused and recycled packaging materials from goods delivered into the business, removing our annual historic usage of 400 metres of bubble wrap per year. A trial is also underway to replace white opaque plastic wrapping with black recycled plastic, which if successful, will remove the need for unsustainable white plastic completely, equating to 800 kgs per year which would ordinarily have gone to landfill. Utilising our couriers own branded recycled/ recyclable bags and boxes has also eradicated the need to double wrap.



Packaging Project

In 2019 we instigated and completed a number of very significant projects with the sole aim of ensuring that the packaging we use, both for internal and external purposes, minimises any negative effects on the environment and are practical and sustainable choices for the future. We have historically as a business relied heavily on plastic shrink wrap in many stages of the production and delivery process. Within the last year a project team has been appointed and dedicated to identifying and sourcing acceptable alternatives. Where we had previously used shrink wrap on the pallets and boxes in the yarn store to protect the yarn in storage, a new method using banding was identified and trialled. While this method was successful it also led to identifying that banding being used by the business could be changed to a more sustainable option made from 80% recycled material. New internal procedures have been written to ensure the new banding is used throughout the mill.

Further investigation into the use of shrink wrap uncovered this single use wrapping was the equivalent of 42 metres per cart. Carts are wrapped on average 40 times a year and there are 26 carts in use. This is a conscious investment with an anticipated pay back over three years but a potential reduction of 43,000 metres of single use wrapping which would go to landfill. A wider packaging project has also been completed for packaging used in the despatch of products to our customers and end users.

Paper Project

In 2019 a review of process and consumables was conducted by our IT team, highlighting a concerning level of paper usage. A project team was put together to identify the processes within the business that were resulting in excess paper usage and the necessary investment was put in place to adjust and streamline the IT systems behind these. Towards the end of 2019, we started to move the amended office processes to the paperless options, and by November paper usage within the sales and customer services department was reduced by 53% from the same month in 2018, with an aim to have this reduced further to 65% in 2020. The paperless review and implementation will be applied throughout 2020 to remaining business areas to further decrease the paper used by the business.

Battery Recycling

As a business we are committed to educating our colleagues on the importance and benefits of sustainability. To this end we have installed battery recycling points around our mill. When batteries begin to rot away in landfill sites, these chemicals may leak into the ground, which can cause soil and water pollution. When chemicals contaminate soil and get into the water course, humans and the environment can be harmed. Giving our colleagues a safe and easy manner in which to dispose of old batteries helps them to contribute personally to protecting our environment.

Plastic Cups

From 2020 we will be moving to recycled and recyclable water cups at all water dispensers within our premises. In 2019 we used 13,000 plastic drinking cups, the change to a paper cup that is not only recycled but recyclable aligns the environmental aims and actions of the business.

CASE STUDY - A GREEN ENVIRONMENT

In 2017 the business began to add green areas to mill grounds. We started with an area for chickens and ducks where colleagues were able to have access to fresh eggs and take family members to feed the animals. We have incubated and hatched our own chickens and ducks and also taken in rescue chickens. Allotments were introduced for colleagues to grow their own vegetables and more recently we have taken the step to add bee hives to support the global bee population. One third of food crops globally are pollinated by bees. Bees also pollinate around 80% of wildflowers in Europe, so our countryside would be far less interesting and beautiful without them. We are concerned for the wellbeing of the animals and the bees, therefore we invested in animal welfare training. The wellness of our animals and bees is at the forefront of our consideration at all times.





Our responsibility to the local community

As a family owned business Hainsworth is mindful to interact with local and global communities to set an example for the long term benefit of the communities which we touch and for our own business. Our strategy for interaction with society is based on respect, support and education, creating opportunities and delivering a positive environment for generations to come.

CHARITABLE PRECEDENT

As a responsible business we choose to support a number of both local and national charities. We have a dedicated charities team who work hard to maximise the support we are able to give. In the last three years we have continually supported the charities Focus for Hope, Candle Lighters, Barnardo's, Macmillan and Brain Tumor Research and Support.

Alongside the charities chosen by the business we also support those employees who choose to support charities that they hold dear and the activities they choose to raise funds for on their behalf. In the last three years we have supported our fellow colleagues with Stanningley Rugby Club, Yorkshire Military Band and Farsley Celtic under 10s football kit.

As a responsible business we choose to support a number of both local and national charities, we have a dedicated charities team who work hard to maximise the support we are able to give.



EXPANDING KNOWLEDGE

Education has always been important to Hainsworth and we choose to work with students and support their progression through their graduate work and into the fashion industry as valued stakeholders. Many of the students we have supported through their graduate collections have progressed into successful careers. To elevate this further we now actively work with universities to create annual live briefs which are designed to give the students understanding of not only cloth production but crucial real world experience of designing garments to a client's specification, working to a brief and receiving critical feedback on their design work. This process prepares the students with an understanding of applying the design process once in employment, arming them with a greater aptitude for success. Students are invited to the mill so that they can fully understand and appreciate the cloth production process and the benefits of using wool within their work, we then support the students with their cloth selections for garments produced to the brief and provide critical guidance on any areas that should be considered within their work to more closely fit the required outcome. Within the mill itself we support development with a number of apprentices currently employed.

STRENGTHENING REGIONS

We are proud to support small businesses local to the mill by deliberately choosing to work with them to ensure that the local economy and community continues to grow alongside us. We have numerous long standing relationships which we continue to nurture through all areas of sourcing including printers, caterers, builders, dry cleaners and restaurants.

CREATING PROSPECTS

We believe it is important to encourage growth within the local community to create and establish opportunities for individuals and businesses that will in future support and nurture the local economy, as well as the individuals within the industries and localities that they choose to work. Within our mill we house a Creative Hub where start-ups and small businesses can thrive and network, while benefitting from access to Hainsworth manufacturing. All within the beautiful, historic surrounds the building and locality provides. The Creative Hub was established in 2016 and currently consists of a number of businesses within the fashion, textiles and interiors markets.

We are trade partners with the Future Fashion Factory industry-led collaborative research programme linking the textile design and manufacturing centres in the Leeds City Region with the creative design and retail centres of London. It brings together expertise from ten core industry partners, with many more forming a wider network spanning design, manufacturing and retail in the UK. The Programme involves collaboration with the Universities of Leeds, Huddersfield and the Royal College of Art, as well as the Textile Centre of Excellence in Yorkshire. As one of the core trade partners Hainsworth work with the Future Fashion Factory across all areas of education.

CASE STUDY - SUTCLIFFES

Sutcliffes is the local village green grocers, just like Hainsworth they are a family business and equally committed to ensuring that the local community receives only the very best. Established in 1900 with a simple horse and cart service and currently run by the 5th generation, Sutcliffes have worked with Hainsworth for over 10 years, delivering a weekly supply of fresh fruit for the mill employees, numerous annual Christmas trees for the site as well as other seasonal items such as roses for valentines day. Sutcliffes are committed to sustainability wherever possible, they are proud to use traditional paper bags rather than plastic and ensure that any plastic is reused and repurposed. Sutcliffes believe that working with Hainsworth within the local community helps to keep their business going, they now deliver their produce to a wide radius and have through word of mouth and excellent service won numerous Hainsworth employees as private local customers, further strengthening their business for the future.



RESPECTING COMMUNITIES

We have been located on the same premises for over 236 years, the community around us contains generations of families that we have interacted with throughout our history either as neighbours, workers or through trade. It is vitally important to us that we continue to offer our support and operate with respect at all times.

For our immediate neighbours we ensure we protect their properties and wellbeing by monitoring all noise and emissions to minimise our impact on their daily lives and longer term futures. As a working factory noise is an issue that we take extremely seriously and we monitor the levels around the site at regular intervals. When last measured the worst noise level surrounding our mill during normal working times was around our warehouse and was at a level of 68Db, this can be compared to natural level of the road traffic on the main high street which is a much higher level of 74Db.

We continue to monitor all levels around our site with the aim of making continuous improvements where these are possible, and investing where necessary in the reduction of noise. This includes arranging deliveries into the mill to ensure these are within sociable hours.

In November 2016 and November 2017 we installed a new boiler and a new compressor both of which are significantly lower on noise production than the replaced equipment, contributing to reduced noise levels.

It is important to us that our business does not impact on the resources available to the local community. A very large proportion of our manufacturing process relies on water to run. To ensure that we are not putting any burden on the water available for the local community we have established 2 boreholes from which we draw the water required in our manufacturing process. This takes water that has not been processed to the standard required for drinking and stores it in 2 large water tanks. The first borehole was established in 1979 with the second following in 1989.

Date	Water extracted
April 2016 to March 2017	121923.4 m ³
April 2017 to March 2018	1126051 m ³
April 2018 to March 2019	108795.8 m ³

Table No. 6
Water Drawn from Boreholes



CASE STUDY - FFF PROJECT

Hainsworth partnered with Yorkshire Textiles and our Creative Hub for one of the first research projects funded through the Future Fashion Factory. Our project focused on the end result of producing short run bespoke fabrics for the fashion market, reducing industry waste and increasing efficiency of the supply chain. The project involved digitising early designs from Leeds Industrial Museum to produce a 'new heritage' fabric for electronic jacquard manufacture, with a bespoke short run of fabric being produced free of charge for use by the Creative Hub and Yorkshire Textiles. The project successfully proved that this production process was viable, ensuring that Hainsworth are able to offer this waste reducing production option to clients within the fashion industry requiring a bespoke jacquard cloth.



Disused Printworks (2017)



Residential Premises (2019)

AFFORDABLE LIVING

A healthy community needs people who are able to actively participate and a quality area in which to exist. As part of our property portfolio we have owned a number of residential properties. In 2017 we purchased a disused printworks bordering the mill site and have spent 2 years converting this building into modern quality residential housing with the specific intention of creating affordable homes for local people.

As a result of this investment we now own 21 residential premises, 8 which have been completed in 2019. The rents for these premises are markedly below market value to ensure they are manageable for the local community. We have residents in 3 of our properties who have been all been with us for over 20 years.

We have built community spaces for those living and working in all Hainsworth properties to ensure that they have safe and enjoyable areas to relax and unwind, this includes an allotment, chicken run, gardens and a bee area. We have also ensured that the site aesthetic has been managed in line with the increase in residents, to provide a harmonious and enjoyable homelife experience. This includes painting the boiler chimney and adding new decking and fencing to residential areas.



CASE STUDY - RESIDENTS

Mary Lyon, a Hainsworth employee, has been living in Hainsworth accommodation since 2016. The move into her new housing has reduced her carbon footprint and improved Mary's worklife balance dramatically;

"The move to the Mill has given me an extra 2 hours a day, since I no longer need to commute to work. This has completely eliminated my travel expenses and reduced stress from travelling in unfamiliar areas, which makes me feel safe. The community is nice and friendly with lots of local shops which make things easier for me. It's comforting to have other Mill workers around which also helps me feel safe. We enjoy nights out together and the gated community also helps me to feel safe and secure. I really enjoy the creative outlet the company has given me by providing boxes around the mill to grow flowers and vegetables. It's also nice to feed the chickens and ducks and the fact that we have a bee hive makes working at the Mill different. I think it is a great advantage to have Hainsworth as my landlord because they are always nearby and I can raise concerns with them. I don't feel like I am just a number and they make me feel welcome and like they care."

Darren Crossley has had similar experience moving into the local area and into Hainsworth accommodation;

"My travel has massively reduced, I was travelling 100 miles a week and would have to fill car twice a month, whereas now once every two months. You can pick friends but not neighbours, here I have found my neighbours are my friends. There are a lot of us who go out together, have BBQs and find something to do, especially when the weather is nice. I could nip to the shop and end up being 20 minutes as I will see someone and have a chat with them. It's a rare thing when you can work and live near people and all get on. We all look out for each other, even if it's just taking a parcel in and if we can help each other we do. Before where I lived I never really socialised, now I feel I have a healthy social life."





Our responsibility to our employees

As a family business our employees are more to us than just workers, and it is vital to us that each employee is happy, healthy and fully engaged with their role within our organisation. The skills, passion and capabilities of our employees are crucial to the success of Hainsworth and the outstanding quality of the products that we produce.

In 2019 we increased our workforce by 5% to support our business growth. We now have 191 employees working across all areas of the business, 48 (25%) office based and 143 (75%) production workers. Our employees are loyal members of our team, each a vital cog in the success of our business. We find that our approach of treating employees as family encourages a greater level of loyalty. Our average length of service is 9.2 years against the UK average of 3.2 years, our current longest serving employee has been with us 42 years, with our all time record being 65 years.

We strongly believe that our continued investment in our people and their importance in our business engages a highly motivated team. We are committed to ensuring that every single employee has a voice and is able to raise and solve issues with the support of management, directors and their peers.

We run an employee forum which meets every 3 months with representatives from every business area. They meet to discuss topics of importance to the company and the people and with an open "You Asked, We Did" feedback system. Our suggestion box lives in our communal canteen to allow suggestions from anyone in any area of the business, be it production, office or HR. One positive take away from the forum was an initiative in the warehouse with regard to updating the lifting equipment, proving that the company values input from all.

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An engaged employee is a motivated employee. Every employee attends a quarterly briefing which covers Financials, Health and Safety, Quality, Production and Sales so that they understand exactly the company's position, drives, mission and values and feel the importance of the role that they play in achieving our objectives.

This long held value of mutual trust, openness and respect ensures a two way dialogue, effective discussions and a balance between the interests of the company and its people.

A WORK LIFE BALANCE

As an eight generation family business, and with many different generations of local families employed within our mill, we provide family friendly benefits including flexitime and where practicable home working to achieve a healthy work and life balance

In the past three years we have received and actioned 14 requests to working arrangements making life more balanced for our people, approving 100% of these requests. These requests included 5 people returning from maternity leave, 2 people wishing to action a wind down to retirement and 1 person wishing to increase their hours. We also run a flexitime policy which allows employees to build up a credit of hours that can then be taken back when required without impacting on annual leave.



DIVERSITY

At Hainsworth we value all our employees regardless of their background, gender, education, ethnic origin, nationality, age, religion, orientation and skill. We embrace this multiplicity as a crucial component of our success, the different experiences, views and ideas within this mix allow us to continue to develop and progress within our markets.

Our HR policies and practices ensure that every employee receives the same opportunity for advancement, development and review. Our board of directors represents male and female equally with 4 males and 4 females and our management team is split 62.5% male and 37.5% female. We believe that the mix of genders promotes a workspace which allows for the best decision making and most positive outcomes.

CONTINUALLY DEVELOPING

The skills of our entire team regardless of their department are the key to our continued success, the business provides a wide range of training possibilities across all levels and have apprenticeship programmes to encourage and support the younger generations. In the past three years we have supported;

Training/ Qualification	Number of colleagues supported
NVQ's	3
Masters Degree	1
Textile Coloration Certificate	1
Level 3 Diploma in Manufacturing Textile Products	1
Audit training	1
Management training	10
ILM Level 2 Award in Leadership & Team Skills	1
ATT Foundation Certificate (Finance)	1
Maintenance Apprenticeship	1
Carding Apprenticeship & Weaving Apprenticeship	2
Abrasive Wheels	17
Export and Import Course	1
Manual Handling	88
Adobe Creative Design Training (Marketing)	1

Table No. 7
Training/ Qualification
in the Past Three Years

In addition to the above we have also provided internal training throughout the company on Excel, Outlook and People Management.



TAKING CARE OF EACH OTHER

Protecting the health of our employees is crucial to Hainsworth, this is through both effective Health and Safety management and also through an established programme of health benefits and protective measures. In case of illness or accident the best financial protection for the person affected is important as well as access to medical care. Our employees have access to a healthcare plan, sickness pay and a death in service sum upon completion of any probationary period upon joining the company. For those who are affected by long term illness, Hainsworth support them following their recovery with a reintegration plan to allow a successful return to work.

In the previous 3 years our employees have made 137 claims against their Health Shield Health Care policies.

Table No. 8
Claims Against Care Policies in the Past Three Years

Benefit	Period 1 (1 Nov '18 - 20 Jun '19)	
	Claimants	Claims
Dental Accident	1	1
Combined Physiotherapy	8	26
Health and Wellbeing	0	0
Prescription Charges	9	15
Dental	48	63
Optical	24	28
Specialist Consultation	0	0
Chiropody	3	4
No. unique claimants in period	62	
No. claims in period	137	

We also provide free flu vaccinations to all employees supporting the local community by using the local doctors surgery. The uptake on these free vaccinations has increased each year.

Table No. 9
Uptake on Free Vaccinations in the Past Three Years

Year	Flu Jabs Given	Year	Sick Pay Recipients
2017	45	2016	52
2018	52	2017	64
2019	66	2018	60

As a wider reaching prevention we ran a wellness week, packed with activities to assist and equip each person with the tools to achieve a healthier life. Experienced industry professionals were invited into the business to discuss diet, exercise and stress management. The organisation Mind was invited to cover the topic of Mental health. We promoted the health care plan to ensure employees knew how to maximise their benefits and every member of the team was offered a massage to help them understand the positives of relaxing and unwinding.

To ensure that our teams have access to healthy food options we provide free fruit in our employee communal canteen.

MAKING WORKPLACES SAFER

The safety of our stake holders is vital, be they employees, suppliers or clients and we are committed to ensuring the maximum safety possible.

We have a Health and Safety policy which sets clear responsibilities and requirements for staying safe in the workplace, alongside targets to continually improve the safety of our working environment. We aim to empower our workforce to take responsibility for their own health and safety and that of others working around them, by reporting any hazards or 'close calls' before they develop into more serious issues. By recording and investigating close calls we are able to take the necessary actions to prevent accidents and minimise future risks.

Table No. 10
Accidents and Close Calls Per Quarter

	Total Accidents	Close Calls / Haz	Completed Close Calls / Haz
2016 / Q2	18	15	15
2016 / Q3	11	18	18
2016 / Q4	12	10	10
2017 / Q1	9	5	5
2017 / Q2	7	9	9
2017 / Q3	9	17	17
2017 / Q4	8	8	8
2018 / Q1	8	19	18
2018 / Q2	9	4	4
2018 / Q3	14	4	4
2018 / Q4	3	8	8
2019 / Q1	6	8	5
2019 / Q2	10	11	6
2019 / Q3	16	24	20

Health and Safety is at the heart of our business and all departments must meet the high statutory and regulatory requirements along with the internal safety standards which expand further on the statutory regulations.

All work practices have planned safety SOPs to a total of 318 which are continually monitored, reviewed and updated to ensure compliance and relevance. Additional photos and images/diagrams have been added to work instructions for any colleagues where reading is difficult or English may not be their first language.



In addition, we introduced a yellow card system to engage everyone in the business to raise every close call incident. Since the system was introduced at the beginning of the year, 160 close calls have been raised. Action points have been raised following every report and 138 actions were completed as a result with the remaining ongoing actions reviewed daily by the Health & Safety manager and the Maintenance manager. The close calls are reviewed by the Health & Safety and Production Director monthly and by the Health & Safety Committee quarterly. Figures are communicated to the workforce through the quarterly briefs and are visible on noticeboards throughout the factory.

Plans are in place to create a safety climate survey to raise the profile further in 2020.

SAFETY BY CHOICE AND NOT BY CHANCE

Hainsworth appoint Directors and Managers to look after our quality and production systems, ensuring accountable practice for sustainability, environmental and social issues.

Environment, Sustainability and Health and Safety

Director – Adam Hainsworth
Manager – Jordin Sladek

Quality and Technical and Supply Chain

Director – Zena Al Mausawe
Technical Managers – Martin Haworth/ Nigel Birch
Supply Chain Specialist – Jenny Cooper/ James Parkes

Manufacturing Production

Director – Ashley Harbert
Yarn production and Weaving Manager – Robert Taylor
Transformation Manager – Michael Weelands



CASE STUDY - PHIL SIMS

"We had a visit and a talk from a local fitness expert on the topics of exercise and healthy eating. At first I thought this is your typical talk. However, Tom Smith and I discussed the topics in the canteen and on reflection felt influenced to make some changes. We decided to make a few changes. Since last December I no longer have sugar in my tea, I no longer eat processed meals when I'm on shift, I now have a healthy alternative e.g. tuna salad. I feel healthier and my reason for doing this is to stay active and live longer so I can enjoy time with my family. The talk reinforced the need to make the necessary changes to my diet."



Our commitment to our customers and supply partners

Being sustainable includes anything that can be done to mitigate risks in order to improve the quality of service and product, while reducing the opportunity for unnecessary waste and poor management. It is also about innovating and implementing the best products and practices for the future, while inspiring those businesses around you to do the same.

It is important to us that our customers and supply partners receive the very best we can give. This section hopefully highlights some of the initiatives we have put in place to reduce the potential for disruption to supply, through inadequate products, poor level of service and lack of imagination or thought, but also shows some of the interesting products and ideas we have introduced.

We aim to delight the customer and know how important the customer's voice is to our business. Indeed most of the successful innovations and improvements are as a result of listening to valuable advice and feedback. That is why we offer the opportunity for the customer to give their view against every transaction made with the company in favour of a one off chance to speak. We are delighted that we have only received 'very satisfied' and 'highly likely to recommend to others', throughout 2019.



THREE EXTRACTS FROM SURVEY RESPONSES...

'5 STAR Service from start to finish, Thank you.'

'Long time customer and love the product!'

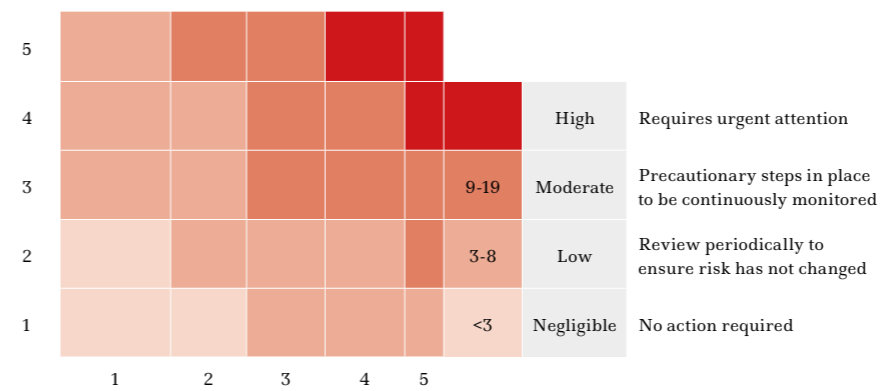
'I have been dealing with Hainsworth for 15 years and have found the customer service to be 100% excellent. And the staff are very helpful friendly and polite. The quality of your products is superb. Hainsworth are a wonderful British company and a great example of British industry at its finest. Keep the good work up'.

SMALL DETAILS ARE HUGE

Hainsworth is a vertical mill which means that all processes are carried out on site from the raw wool to the finished product. This allows us to take care of all aspects of the processing, the standards and testing, enabling us to have total control of consistency and continuity. We do however work in partnership with external local commission processers to prevent any possibility of disruption to supply in the unusual event of a machine breakdown or the need for increased capacity. All partners are carefully selected and audited by our quality team and any intellectual property remains with Hainsworth. We would consider bringing in manufacturing supply partners if we needed to produce a new concept/technique, development of process, or creation of an innovative product.

In order to prevent any capacity restraints, all our colleagues are trained to be multi skilled and we are working towards creating TPM for every piece of vital machinery on site.

With any business, managing risk is very important. Our risk log is managed by the board of directors and reviewed monthly. Actions are graded and actioned. The below system is used to rate the level of risk .



Likelihood
 1 = extremely remote chance that risk will occur
 2 = minor chance that risk will occur
 3 = moderate chance that risk will occur
 4 = risk is likely to occur
 5 = risk almost certain to occur / already happening

Impact
 1 = insignificant impact on achievement of objectives
 2 = minor impact on achievement of objectives
 3 = moderate impact on achievement of objectives
 4 = major impact on achievement of objectives
 5 = catastrophic impact on achievement of objectives

INTEGRITY MATTERS

Hainsworth are audited and carry the ISO 9001:2015 for the group as well as the AS9100:D certificate for our transportation interior fabrics. We also have our own in house testing facilities which are UKAS accredited.

Hainsworth's privacy policy can be accessed through our website.



FOREVER INNOVATING AND ACHIEVING

We know the impact humans can have on the environment. The most recent publicity around fast fashion has motivated us to take action. We are planning a campaign throughout 2020 to promote the benefits of 'slow fashion' which includes choosing fibres that are sustainable and that are manufactured through sustainable practices. The aim is to encourage the end user to invest in a classic garment that offers a level of quality and luxury with a life span far reaching than one season. We are fortunate that we already have the sustainable fibre and the drivers for more efficient processing, but we are aware that we have an obligation to use our influence in the industry to promote this message to the end user and to work with customers that are already engaging with this thought leadership.

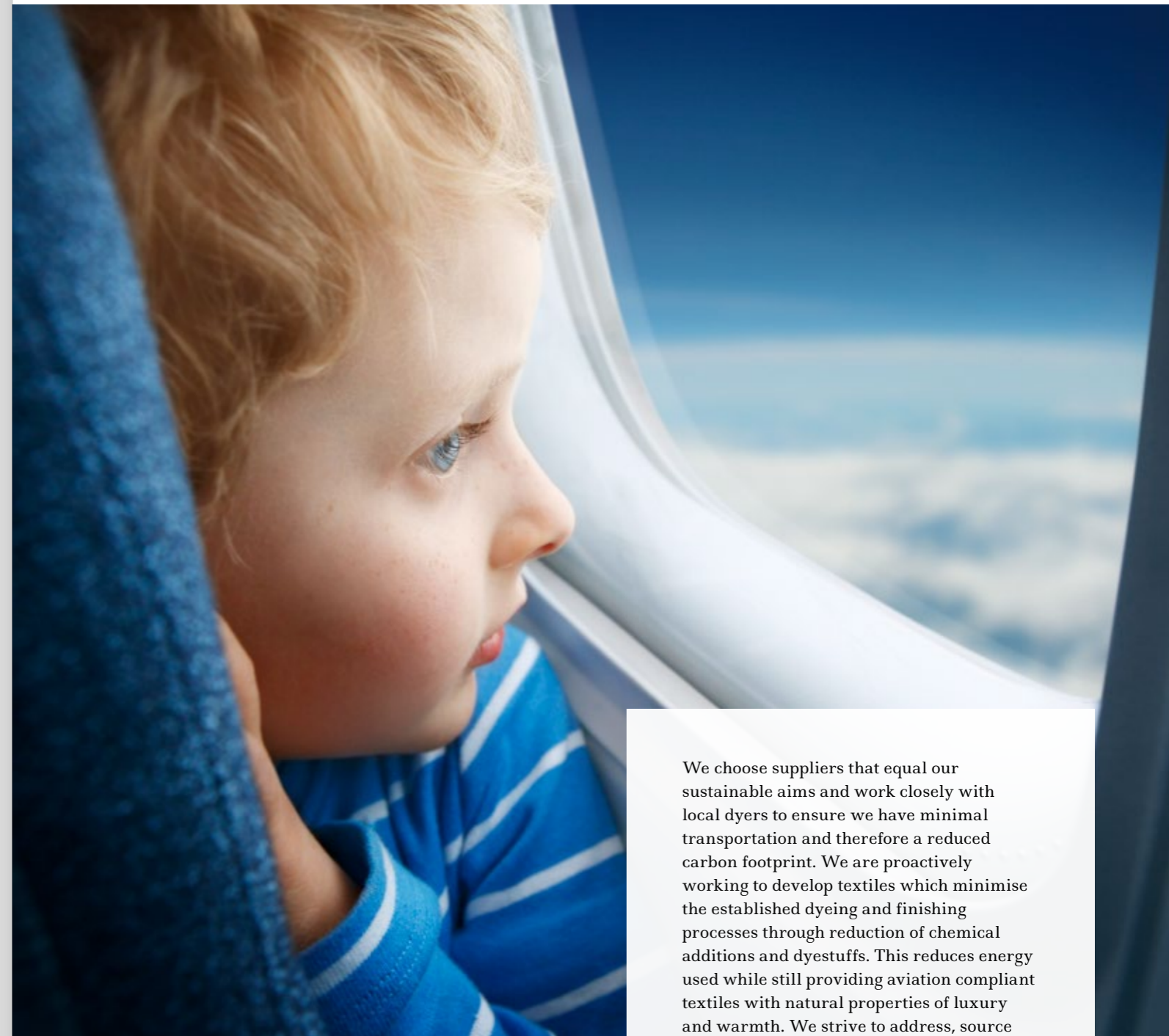
We made a good start in 2019 through our support and collaboration with Patrick McDowell during Helsinki fashion week and will be opening our doors to any designer or fashion house wishing to stand alongside us to promote this message globally. We already have a good catalogue where we have worked collaboratively with other brands to promote wool. We comply with global industry standards.

We are launching our new adapted interior range in 2020 through our 'Fabric of a Nation' brand to the home market. Wool is naturally safe, and is antimicrobial. It's unique properties offer warmth in cooler climates and cooling properties in warmer environments through moisture management. It also has special acoustic benefits making it a good choice for use through our contract fabric range in public buildings, aircraft and rail. Wool has all these fantastic properties as well as being aesthetically beautiful, comforting and luxurious.





Our exacting standards ensure that cloth supplied for the piano manufacturing process is consistent, and we play a crucial part in the success of creating the finished sound. We have worked with our customers to develop fabric that meets the necessary specifications for both density and strength, which are essential in the continuity of quality for the most influential names in the industry. We are committed to offering this continued service to ensure longevity of their business without disruption or impact on their brand position in the market. We go that extra mile to provide the components cut into strips and punched into washers. As most of the piano manufacturing is now carried out overseas, this means we only ship what is used in the process without the need to ship the excess waste. We continually work on initiatives to recycle or repurpose the waste.

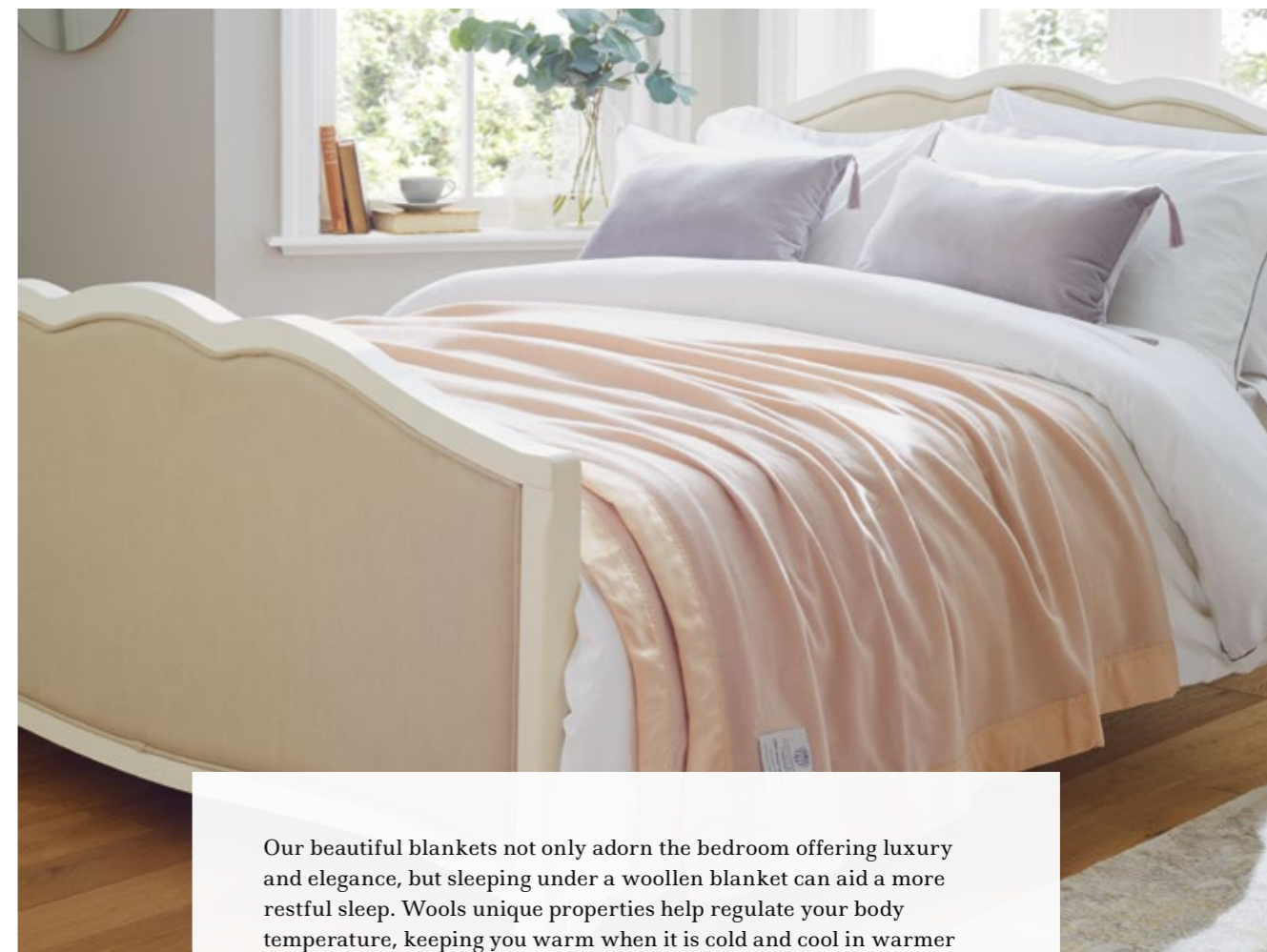


We choose suppliers that equal our sustainable aims and work closely with local dyers to ensure we have minimal transportation and therefore a reduced carbon footprint. We are proactively working to develop textiles which minimise the established dyeing and finishing processes through reduction of chemical additions and dyestuffs. This reduces energy used while still providing aviation compliant textiles with natural properties of luxury and warmth. We strive to address, source and develop alternatives which reduce the current detrimental environmental effects generated by the Aviation textile industry without compromising the integrity or compliancy of our quality products.





We listened to the players, club owners and associations to create the world's fastest snooker cloth which is unrivalled in the market. The snooker sector had its peak in the 80's but is now slowly declining, however, it is becoming more niche and discerning. We saw a need to provide the market with a cloth without compromise. Quality of play is very important and we work with clubs and associations to provide the skill level and enjoyment required to service the players. We have developed our cloths to manage the moisture in the surrounding atmosphere, removing the need for under table heating which uses additional energy and resources when it really isn't necessary if a Hainsworth cloth is installed. This also prolongs the life of the cloth as it will not be affected by extreme heat through constantly drying out the fibres, which in turn reduces the quality of the fibre over time. There is no value in cheaper, throw away, poor quality cloths that do not last and do not cater for the players' needs. Hainsworth source ethically and produce using as sustainable processes as possible, unlike cheaper alternatives. While Hainsworth continue to drive the differentiators, this will deter the non-sustainable fibres and producers to enter the market.



Our beautiful blankets not only adorn the bedroom offering luxury and elegance, but sleeping under a woollen blanket can aid a more restful sleep. Wool's unique properties help regulate your body temperature, keeping you warm when it is cold and cool in warmer temperatures. This can help you to be more refreshed when awake and better able to cope with life's daily demands. The body heals itself while asleep making it more important to get a good night's sleep.

Children will sleep sounder with wool with fewer allergenic problems due to wool's bacteria inhibiting properties. Wool helps control nasty odours in a room and even better, is a natural deterrent for dust mites.

Sleep can be classified in stages ranging from periods of deeper sleep to lighter sleep and waking. The state of being in a deeper sleep, rapid eye movement (REM) corresponds with dreaming. External factors can affect your ability to have a restful sleep, irregular temperature and comfort may lead to a deterioration of sleep quality.





Discovery of an ancient law from the 17th Century whereby everyone was required to be buried in wool, was the reason for our creation of the Natural Legacy coffin products. The intention was to bring wool into this market to create a sustainable, renewable product. In reality, we created something with all of those properties but more importantly to the families, something more warmer and comforting. We were delighted to find out that HRH The Prince of Wales likes our product and even has been heard to say 'it is a product to die for'. Obviously, we share the same values as The Prince of Wales when it comes to wishing for a more sustainable future and this is our natural legacy towards this.



A crucial consideration for our Fire Protectives products is the health and wellbeing of our end users. The trend in the market is to consider protection against particulates in the fire environment and how to reduce exposure to those particulates, whilst at the same time allowing the firefighter to do their job more effectively by reducing the weight and increasing the flexibility of the garment. End users will come into contact with particulates not just through the operational incident at the fire scene, but also from dirty kits. To minimise this risk Hainsworth are designing garments that retain their thermal integrity at lower weights, that reduce the ingress of particulates and also that allow for multiple laundering with minimal reduction in performance. This allows our partners to create garments that are highly durable with extended wear-life and lower replacement rates, improving the well-being of the end user whilst at the same time being more sustainable.



RESPECT THE PAST, CREATE THE FUTURE

Our stock supported ranges of woollen cloths for military tailors, costumiers and civil tailors offers the opportunity to buy only what is needed, when it is needed, with the assurances that the quality and shade continuity has been guarded. It has been said by one of our costumier customers that the principle actor today is wearing a garment made from the same quality and shade as the one made originally for the first actor in the role, when the first curtain went up many years previously.

Our approach to continuity and consistency ensures that all our soldiers on parade look as smart as the first day they wore their uniform and are equally as smart as the rest of their regiment. Hainsworth are proud to supply ceremonial uniforms worldwide, continuing the history and heritage of those nations.



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