

A person is performing a handstand against a blue sky with clouds. The person is wearing a dark tank top and dark pants. The image is split diagonally by a solid blue shape that covers the right half and part of the left half. The year '2021' is written in large white numbers over the sky portion.

# 2021

IN 10 CHAPTERS

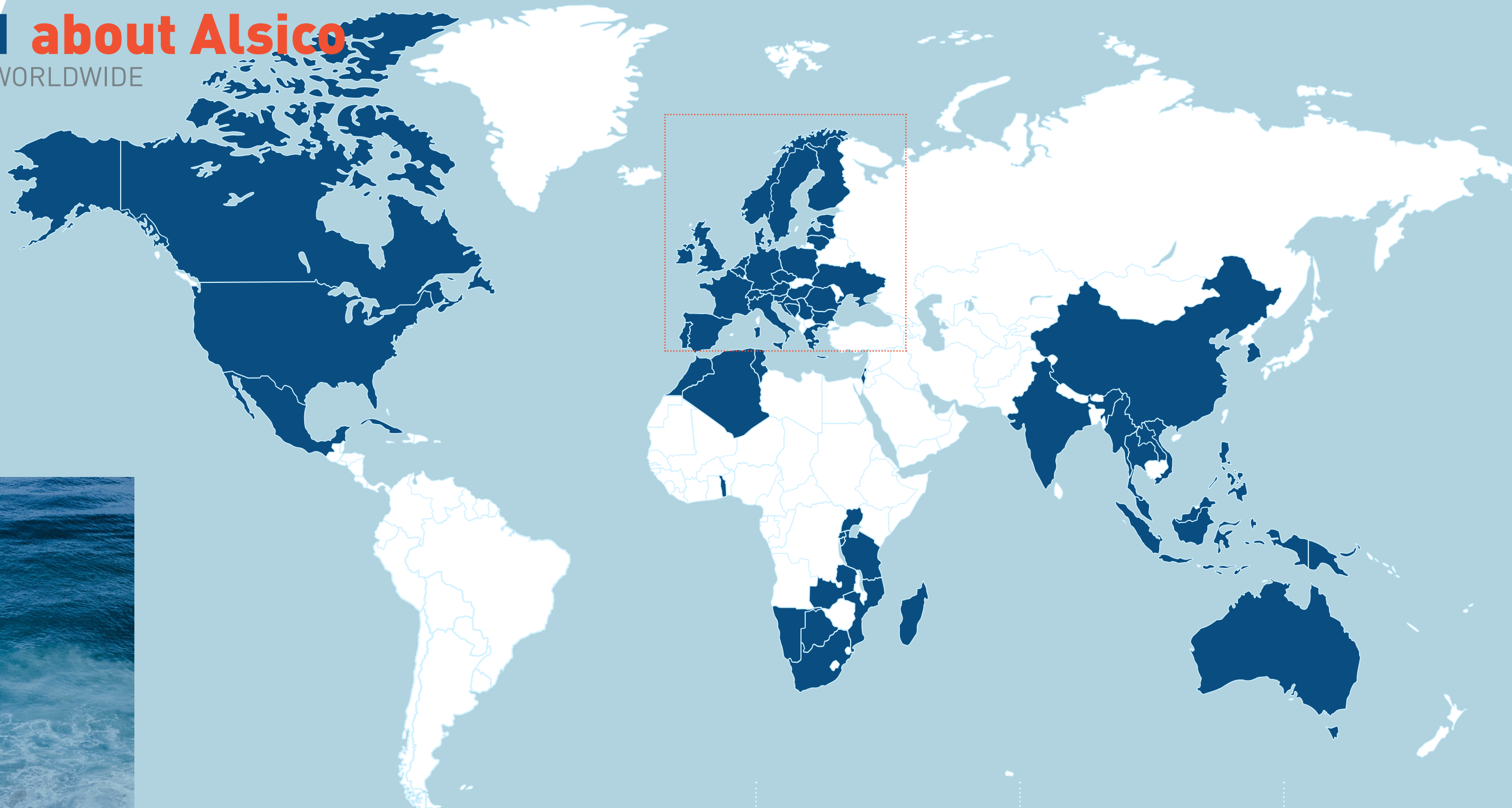
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**ALSICO 2021  
SUSTAINABILITY REPORT**  
Act now, act globally

**alsico**   
EST. 1934

# 1 about Alsico

WORLDWIDE



2021



**ALSICO GROUP**

**10**  
business units

**8800**  
people

**>400K**  
pieces / week

**>€280M**  
turnover

**ALSICO NV**

**3**  
fully owned  
production & development units

**1400+**  
people

**>24K**  
pieces / week

**>€35M**  
turnover



## A YEAR IN NUMBERS

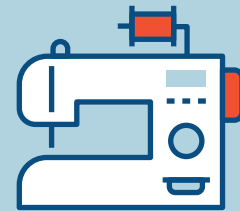


**1428**  
employees



**2.486.650**  
hours worked

**1.206.075**  
pieces of **clothing** produced



**87%**  
of all workers are **women**

Year on year  
net job creation of

**173**  
**JOBS**

**2,8**  
hours of training for male,  
**1,4**  
hours for female employees



**688**  
**hours**

total **training** on human rights  
policies or procedures concerning  
aspects of **human rights** that are  
relevant to operations



**12** recordable work  
related injuries



**1.444.028,27**  
kWh  
total **energy consumption**  
within the organisation

**16.278**  
tons of CO<sub>2</sub>e emissions in 2021

**-20%**  
A reduction of 20% in CO<sub>2</sub>  
emissions compared 2020 and  
37% to base year 2016



**33.317.133**

direct **economic value** generated in revenues

**50%**

of **female members** in the  
organization's governance bodies

**1,67%**

**Pay gap** between  
male and female workers



A YEAR IN IMAGES



January

logistic services moved to our energy efficient new warehouse on Pont West



March

insetting the CO2-emissions of our production



May

donation of smartphones and tablets



July

shipping food and other basic products to the flooded Verviers area



October

students Lars and Emma take part in the YOUCA-day. Their days salary is revered to projects in the global south



December

accepted as a Better Cotton member

February

donation 200.000 reusable face-masks to Hospitiaux sans Frontières



April

clothing the volunteers of the local vaccine center



June

3rd Ecovadis gold status



September

certified STeP by Oeko-Tex



August

The results of the 3th CO2 footprinting are available

November

Hanneke de Koning receives an innovation award for the children's heart camisole she co-developed with Alsico





# 2 about this report

## IN 10 CHAPTERS

The information in this report covers the period from 1 January 2021 to 31 December 2021. Unless otherwise specified data relates to all operations owned and controlled by Alsico nv.

The report has been prepared in accordance with the GRI-standards (CORE). This edited version contains a summary of the material topics we have reported on.

Alsico is reporting on a yearly basis. The most recent report was on 2020. No restatements have been made. No changes in reporting have occurred.

For more information about Alsico nv, including our approach to sustainability and our performance, please check [www.alsico.eu](http://www.alsico.eu).



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# 3 A letter from

## VINCENT SIAU

Dear stakeholder,

It is a pleasure to present to you our 2021 sustainability report.

It may be an understatement to say that these are challenging times. Over the past two years we had several waves of the covid19-pandemic and the sanitary measures that followed them. All have been affecting our people and operations at different levels and different moments in time. Add to that, the supply chain problems that surged once lockdowns were lifted. These led to combined price increases of raw materials and logistics of up to 25% and extreme volatility and uncertainty in lead times. Recently there is of course the tragic war in Ukraine, that has hit directly one of our long time suppliers. As a result, we are now operating in **a fluctuating and volatile market** which has put tremendous pressure on reliability and service.

Above all – and feeding the previous events – there is the climate urgency. As the 6th IPCC report shows, we have got ever stronger indications that global warming and biodiversity loss are affecting us all and probably in a much deeper way than we can imagine. The report estimates that **up to 3.6 billion people live in areas that are highly vulnerable to climate change**. We have witnessed, in the summer of 2021, what that can mean to people and their livelihoods. One of our long-term clients in the Liege area saw its premises flooded and was only able to restart activity thanks to the solidarity of its workers, suppliers

and customers. The last IPCC-report is pointing at an unforeseeable chain of extreme weather events, stating chilling facts such as, 'For 127 identified key risks, assessed mid and long-term impacts are multiple times higher than currently observed.' However, there is one sentence in the report that should guide us, it says: **'The magnitude and rate of climate change and associated risks depend strongly on near-term mitigation and adaptation actions.'** In other words, we still can make it less worse, under one condition: we have to act now and we have to do it globally.

In the light of the recent climate reports and increased socio-economic volatility, we have sharpened our three main goals. By 2034 we aim for **net zero emissions**, we want to **provide all our workers with a decent standard of living, ensuring that workers and their families can weather an unexpected crisis** and we strive for **an eco-designed product made with maximum recycled content**. Our progress will be measured against these goals.

This report goes one step further though. Over the past few years, Alsico has adopted a simple sustainability approach. We want to **know the impacts we have on people and nature, recognise those impacts and act on that knowledge**. To know the impact, you have to reach out to those who can be affected by your activity. This is you, our stakeholders. Every year we ask staff, suppliers, customers, as well as local and national public authorities, ngo's

and unions, what they see as the most important topics for them and for Alsico. On this survey we build our materiality matrix (see page 15). These topics give additional guidance to our actions. Leading the ranking this year we see a couple of interesting points; 'customer satisfaction' and 'a safe and healthy workplace'. This is reflecting the very core of our business, so we have the determination and ability to strive for improvement on these topics (see interview with our quality responsible page 30).

Reaching out to stakeholders doesn't stop with the yearly survey. In fact, we do it every day, when we meet customers or suppliers and when we talk to people inside and outside the company. For us, our stakeholders opinions help us shape our company.

We have now converted this feedback into **a systematic due diligence approach which we will conduct continuously across our whole supply chain**. By reviewing regularly the information we have on possible social and environmental risks, we are able to take action on these hotspots at an early stage.

This approach has been converted into processes, which in turn are being verified by 3rd party organisations. In October 2022 we sealed our management systems with an **Oeko-Tex STeP certification** and more recently we have been **certified as a trader for GRS-Global Recycling Standard-products**. With this, we are ready for the legal requirements on due diligence that

are underway in Germany and eventually will be adopted by the EU.

Sustainability is not about risk containment. As a company that is active all over the globe, **Alsico has the unique opportunity to act now and to act globally**. We are aware of this opportunity, but also of our limited resources. Therefore it is – and will be – important to choose our actions carefully. Let me highlight some of the actions that started over the past year and will impact on the years to come. Based on the knowledge that raw materials make up 85% of our CO2 emissions, we have been looking for a way to reduce fossil fuel based input such as virgin polyester. Over 2021 we have co-developed a fabric with 79% recycled and renewable content. As a result it reduces CO2 emissions of up to two thirds, compared to classic polyester/cotton blends. **If Alsico were to succeed in replacing all of today's polyester/cotton fabrics with Alsi-Flex™, it would slash total emissions by 56%**. In spite of its potential, we are not there yet.

Our CO2-footprint measuring during 2021 has shown that **we were able to reduce emissions by 20% compared to 2020**, in absolute terms. In relative terms, we would still have seen a reduction of 10%. Mostly, because of moving to a more energy efficient warehouse and direct deliveries of raw materials to production units. The full impact of low emission fabrics will become clear over the next few years.

Alsico has been collecting and recycling used and unwanted products

since 2010. But last year **we decided to create a fully grown end-of-life hub where we can collect and sort clothing that is end of life**. In anticipation of the extended producer responsibility legislation – due January 1st 2025 – we now are able to service our clients with an easy access collection service. The beautiful thing is that people in our offices in Ronse were involved from the beginning in the creation of the processes. As circular economy models show, new tasks and even jobs can be created in a way to stimulate workers. People formerly occupied solely with manual tasks, acquired new skills such as invoicing and record keeping and are now responsible for the day-to-day management of the hub.

We are aware that cotton constitutes a major social and environmental risk. Therefore **we decided to partner, as Alsico Group, with the Better Cotton Initiative, a program that aims at improving cotton farming globally**. As part of this effort we are committed to sourcing 100% of our cotton as 'more sustainable cotton' by 2030. 'More sustainable cotton' includes recycled cotton, organic cotton, cotton sourced from fair-trade or through Better Cotton. As a consequence we will report yearly on our cotton consumption. This commitment underscores how Alsico Group is taking a firm stand on sustainability. As other legislations, such as the Corporate Sustainability Reporting Directive are coming our way, Alsico will be reporting on sustainability on a Group level starting next year.

All this can only be made possible thanks to the dedication of the Alsico workforce. As long as we stand as one team, with this clear vision, we can weather the storms that lie ahead. Let's not forget, people are, and remain our strongest asset. We have come a long way with this team and we are sure that we have the energy and the excitement at work to make the years to come, even better and brighter. The stakes are high, so let's rise to the moment

I wish you pleasant reading.  
Yours truly,

*Vincent Siau*



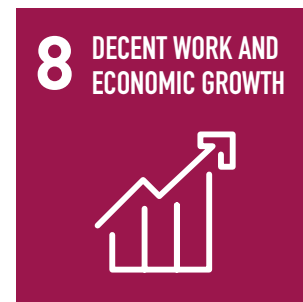


# 4 Our goals

Over the past five years we have conducted four CO2-footprints, we had innumerable conversations with stakeholders and experts and we created several feedback loops to capture the information that is essential to our due diligence approach. From this exercise three clear goals have emerged that should be met by 2034:

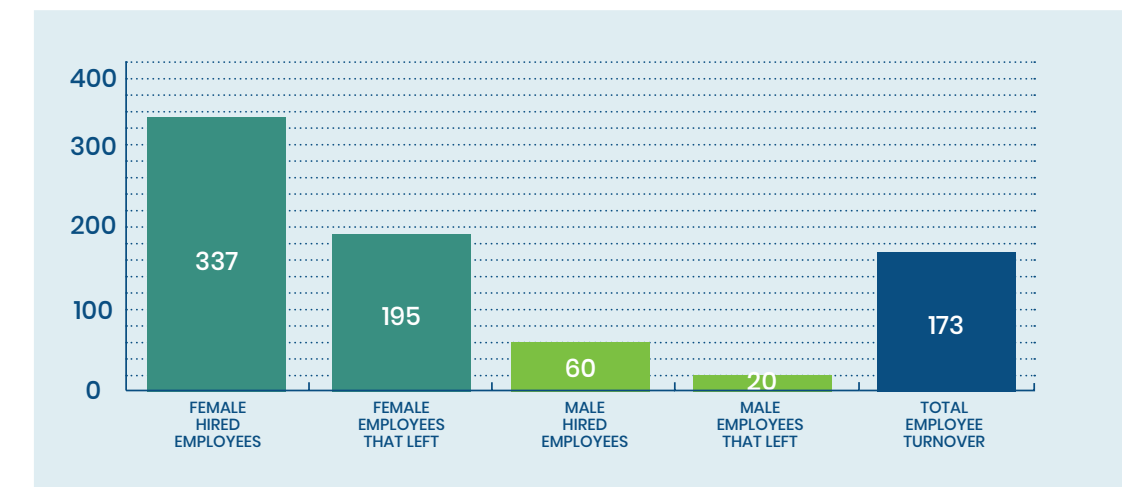
1. **net zero emissions**
2. **provide all our workers with a decent standard of living**
3. **make and market an eco-designed product with maximum recycled content**

These goals do not stand on their own. In the same way that no company, no individual can be 'sustainable' on its own. As an active participant of the UN Global Compact Alsico has chosen to embed these goals and their subsequent actions in the 17 Sustainable Development Goals. The United Nations framework provides a common language to engage with partners and stakeholders that are Alsico has chosen the following SDG's as its priority action domains:



**Good health and well being:** "To ensure healthy lives and promote well-being for all at all ages", it says in the UN-text. As a supplier of protective clothing and medical reusable clothing we have a direct impact on the health of both workers and patients (see page 30 for the interview with our quality responsible). But mostly, as an employer to 8800 people – with 846 of them considered in this report andwith most of them working in a production environment -we have the duty to ensure at all times their health and safety in the workplace (see page 22). We also see a direct relation to our goal to provide all workers with a decent standard of living. Health care expenses make a considerable share of a family's budget. Nobody should ever face the question if she/he can afford a necessary treatment.

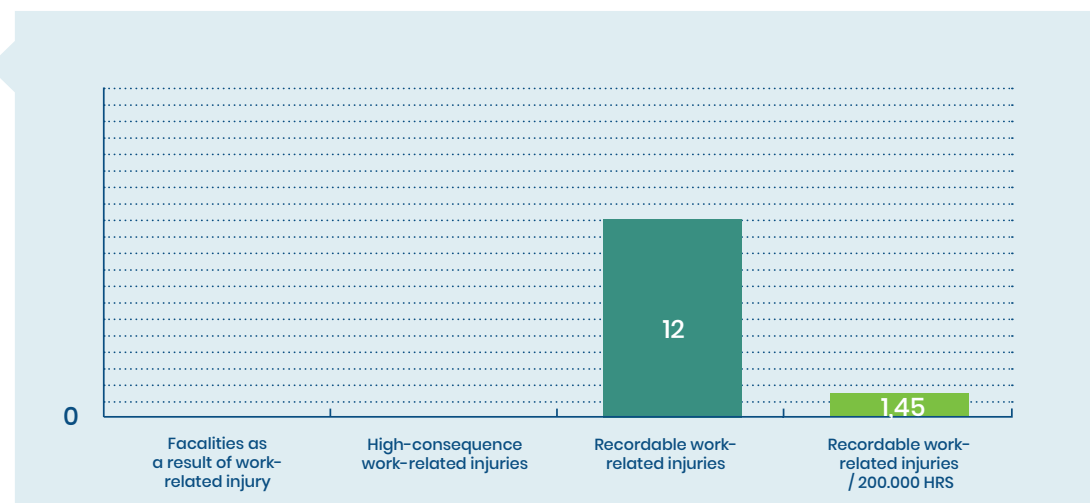
**Decent work and economic growth:** Alsico has chosen to be the owner of its production units. That brings some strategic advantages, such as being master of our own capacity. But it comes also with a huge responsibility towards our own workers. In order to improve the HR/management systems that are in place we have decided to certify them under the STeP by Oeko-Tex. We chose this certificate because of its specificity for textile production environments. Also it encompasses a wide range of management areas ranging from environment, to quality, health and safety and social responsibility. As part of our goal to strive for a decent standards of living we give special attention to gender equality and empowerment of workers. The employee hiring rate shows how Alsico even in challenging times is creating ever more jobs.



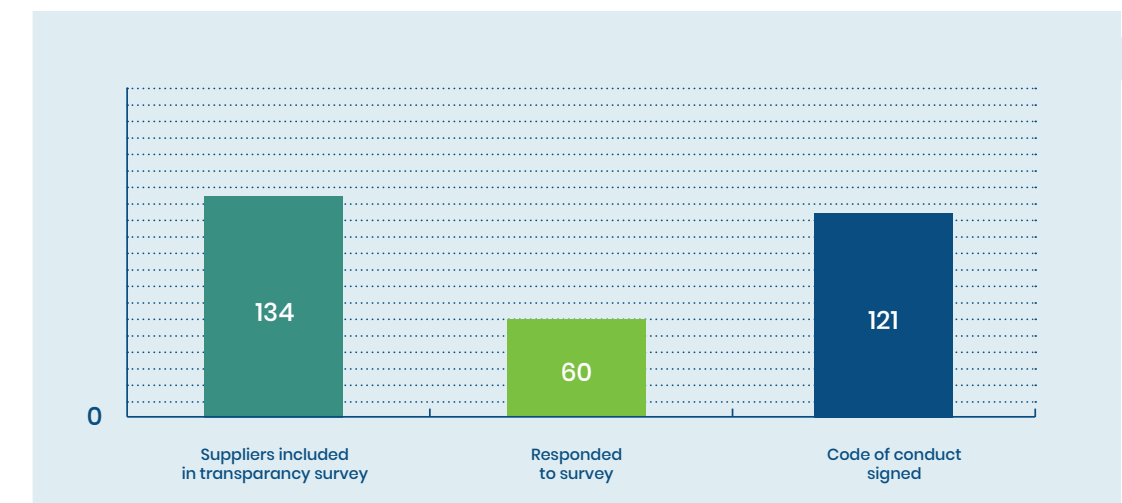
Employee hiring 2021

**Responsible consumption and production:** Resource depletion as a consequence of our human economic activity has led to mass biodiversity loss. In the cotton supply chain there have been documented cases of child labour and forced labour. By adopting this goal Alsico commits to manage its resources in a way that we avoid being complicit with resource depletion or social exploitation. Therefore have set up an extensive sustainable procurement system according to the guidelines of ISO 20400. Signing and regular proof of compliance with our Code of Conduct will be a condition to be an Alsico supplier. CO2-footprinting, monitoring of social and ecological impacts will be taken into account in the supplier evaluation. Impacts and risks that we detect through our due diligence will be directly addressed with suppliers. This dialogue will be the focal point of the improvements we strive for.

Work related injuries 2021



Supply chain transparency



# 5 Materiality matrix 2021

Materiality assessment is an ongoing process that provides the foundation for the implementation of our sustainability strategy. This is our third materiality assessment cycle, it completes the due diligence approach that we adopt in order to detect and mitigate the human rights, labour and environmental risks associated to our activity. **Crucial is the feedback we receive from our stakeholders through open and structured communication.** This feedback will act as a compass for our continuous improvement on all fronts.

## HOW DID WE PROCEED?

To be able to manage our impacts we have to know which are the relevant economic, social and environmental impacts of our activity. Each relevant topic representing an impact is called 'material'. According to the GRI-standards we determine our material topics by consulting our stakeholders. As a next step we look where and to which extent they occur.

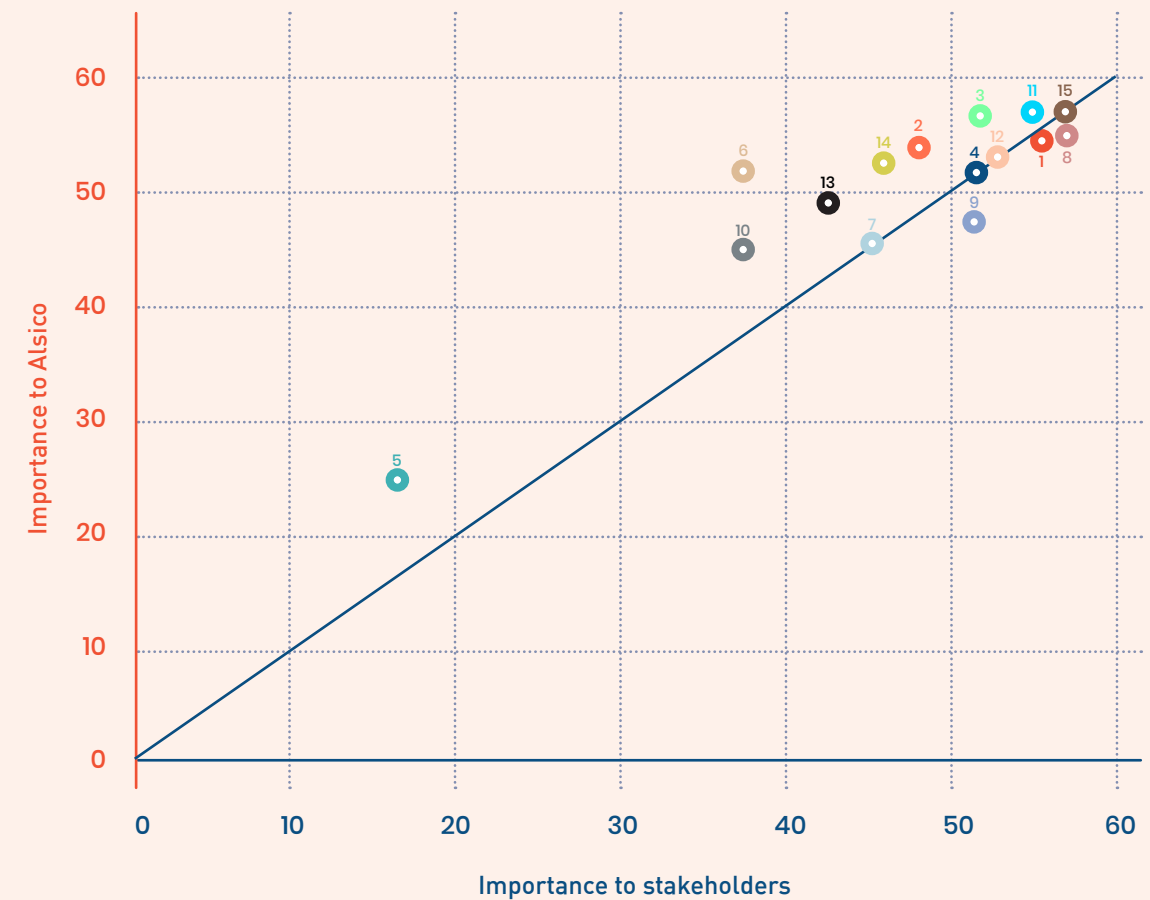
Based on our previous sustainability report, our environmental aspects and sector specific topics (GRI material topics for Apparel and Footwear) we defined fifteen topics. These were ranked by a group of 41 stakeholders (varying from clients, employees and suppliers to unions, board of directors, NGO's and public authorities). The ranking is based on two questions: 1. What is the importance of the topic for Alsico and 2. What is the importance of this topic for you as a stakeholder.

A materiality matrix then was established and a boundary was set for each topic. All fifteen topics in the survey were withheld for the report. The highest ranking topics – starting with 'quality of products' we present you here.

## CONTENT MOST MATERIAL TOPICS

- Customer satisfaction:** The customer mirrors our organization's performance. Satisfied customers mean we do well on service, product quality, delivery times. **Customer satisfaction works as a thermometer** of the organization's overall health.
- A safe and healthy workplace:** We want our employees to be safe at work, just as **we want the wearers of our clothing to be safe and comfortable at their workplace.**
- Management responsibility:** Accountability is at the heart of our organization's culture. Speak up your mind and **take full responsibility of your decisions and actions.** This accountability starts at the very top with our management.
- Happy employees:** Employees are the core of the organization. Without their dedication there would be no activity, no Alsico. Of course you cannot guarantee happiness. But **as a company we want to create the conditions so that meaningful work can contribute to personal development** and therefore happiness.
- Quality of products:** Our products protect their wearers. They offer daylong comfort during work in challenging environments. Through them **we have a huge impact on the wellbeing of people.** Both those who wear the products, and those who make them.

Materiality Matrix 2022



- |  |                                     |
|--|-------------------------------------|
| ● 1. Happy employees                           | ● 9. A living wage                  |
| ● 2. CO2-emissions and climate impacts         | ● 10. Impact on local communities   |
| ● 3. Environmental impacts of raw materials    | ● 11. Management responsibility     |
| ● 4. Responsibility for product and production | ● 12. Quality of products           |
| ● 5. Local purchase and production             | ● 13. Strong supplier relationships |
| ● 6. Supply chain transparency                 | ● 14. Creation of economic value    |
| ● 7. Diversity and equal opportunities         | ● 15. Customer satisfaction         |
| ● 8. A safe and healthy workplace              |                                     |



## 6 Putting the horizon on 2034

The years to come will be crucial for the wellbeing of people on earth. After carefully examining materiality of topics over the past years, as well as carrying out due diligence on social and environmental risks, we were able to identify three major goals for the next decade. We have put the horizon on 2034 since that year marks our 100th birthday, a day we definitely want to celebrate with the achievement of these ambitious goals. Alsico has all instruments in place to reach these goals. Actions leading to this goals have been defined and are in full execution (see page 18-28).

### PROGRESS ON OUR THREE MAJOR GOALS

1. Net zero CO<sub>2</sub>-emissions from our base year 2016 (see page 32)
2. Provide all our workers with a decent standard of living, ensuring that they and their families can weather an unexpected crisis
3. All products ecodesigned with a maximum of recycled content

### LOOKING FORWARD TO 2030

Alsico has set itself three major goals. These serve as a guide for all our sustainability actions and all stakeholder projects in which we participate.



**Net zero**



**A decent standard of living for all workers**



**All products ecodesigned with a maximum of recycled content**





## 1. Customer satisfaction

The customer mirrors our organization's performance. Satisfied customers mean we do well on service, product quality, delivery times. **Customer satisfaction works as a thermometer** of the organization's overall health.

// 20

## 2. A safe and healthy workplace

We want our employees to be safe at work, just as **we want the wearers of our clothing to be safe and comfortable at their workplace.**

// 22

## 3. Management responsibility

Accountability is at the heart of our organization's culture. Speak up your mind and **take full responsibility of your decisions and actions.** This accountability starts at the very top with our management.

// 24

## 4. Happy employees

Employees are the core of the organization. Without their dedication there would be no activity, no Alsico. **As a company we want to create the conditions so that meaningful work can contribute to personal development** and therefore happiness.

// 26

## 5. Quality of products

Our products protect their wearers. They offer daylong comfort during work in challenging environments. Through them **we have a huge impact on the wellbeing of people.** Both those who wear the products, and those who make them.

// 28



# 1. Customer satisfaction

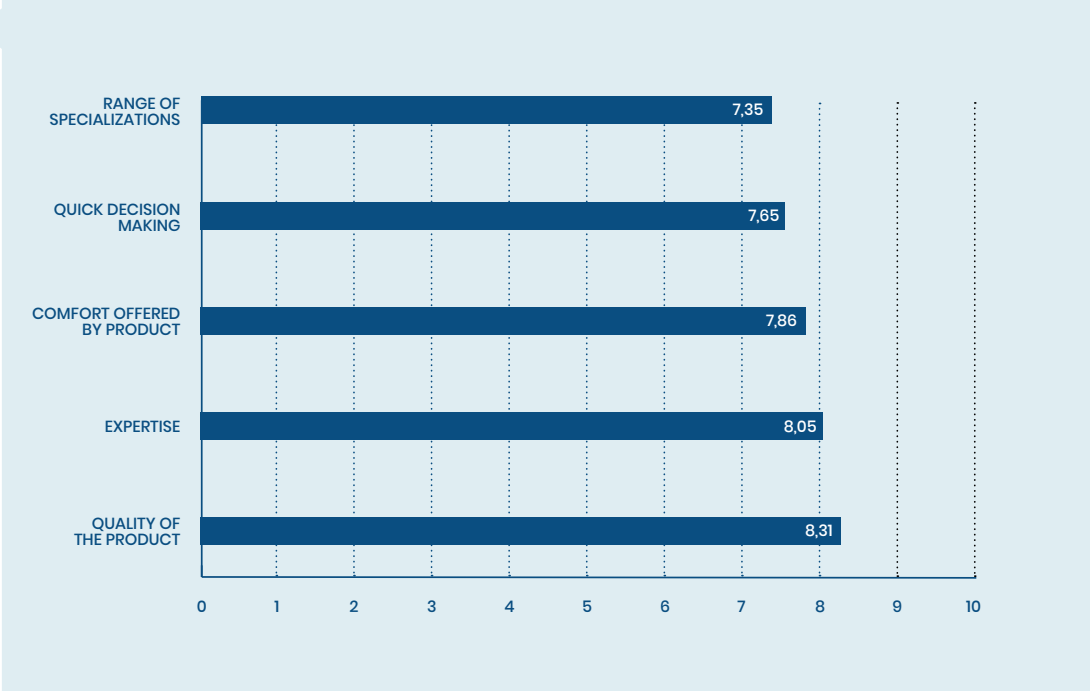
## RELATED IMPACTS

Sales, customer safety, customer privacy

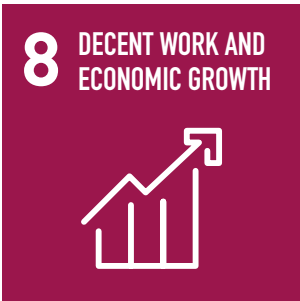
## KEY FIGURES

An extensive survey on performance of key aspects of our service revealed that overall customer satisfaction is high.

Performance according to our customers



## SDG



## WHAT WE DID IN 2021:

We held an extensive stakeholder survey focused on customer satisfaction. The survey held in account the various aspects of the service we provide. This gives us the specific input we need in order to improve.

## WHAT WE ARE DOING

A significant customer survey is being built in our processes, including the topic 'wearer satisfaction'.



## 2. A safe and healthy workplace

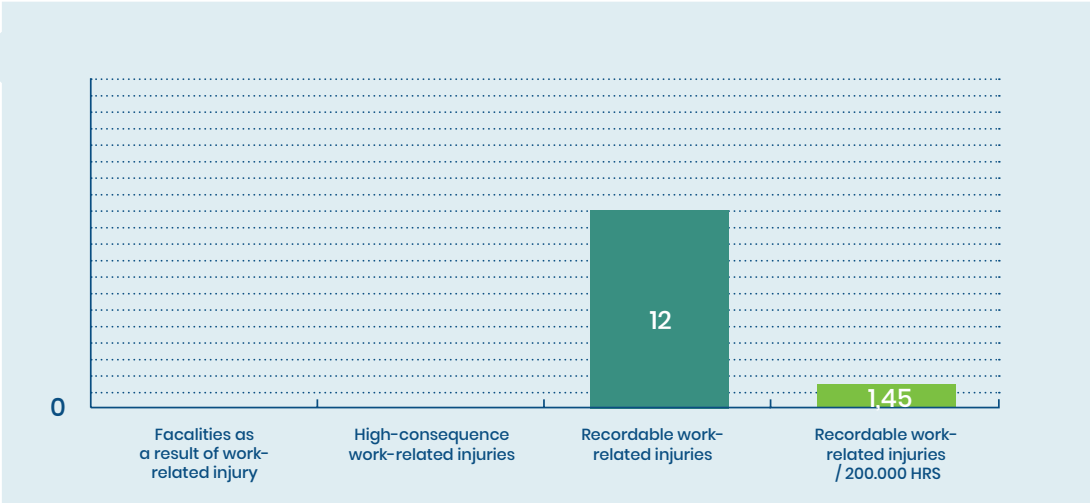
### RELATED IMPACTS

Production responsibility, working conditions, happy employees

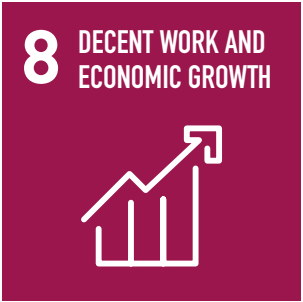
### KEY FIGURES

- 12 work related injuries on a 200.000 scale of hours worked gives a rate of 1,45%
- 0 cluster infections with COVID 19 in our facilities

Work  
related  
injuries  
2021



### SDG



### OUR GOAL

0 work related injuries

### WHAT WE DID IN 2021:

Based on the experience we had during the pandemic homework policies we rewritten. Structural telework is now allowed for a maximum of 4 days per week, permitting office workers to choose their offices days in function of actual necessities for clients and organization.

### WHAT WE ARE DOING

As a part of the Oeko-Tex STeP certification we are reviewing all existing Health and Safety Processes.





# 3. Management responsibility

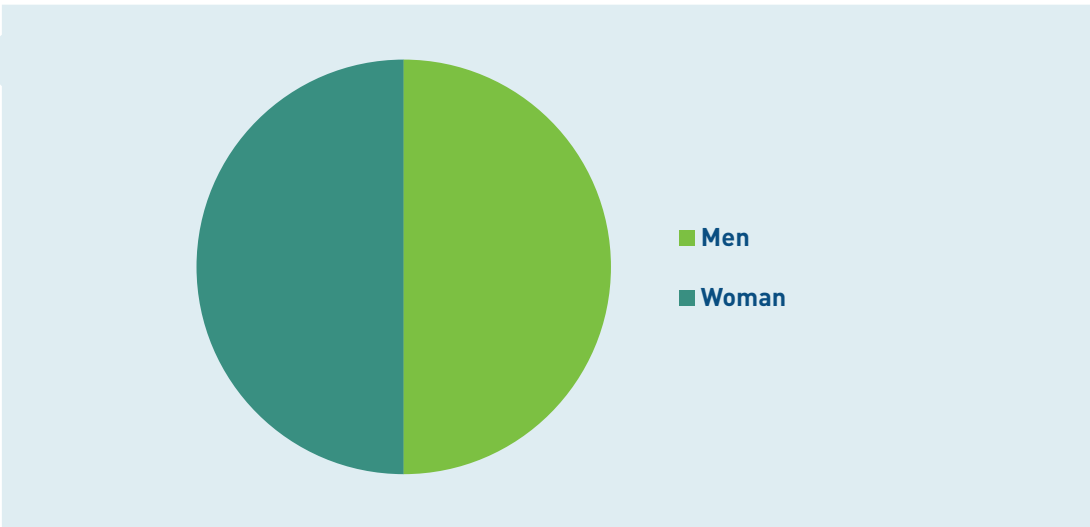
## RELATED IMPACTS

Responsibility for product and production, quality of products, human rights and working conditions, governance

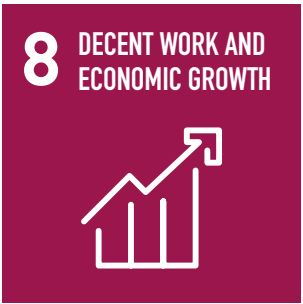
## KEY FIGURES

- 50% of the board of direction are women

Composition of the Executive Comittee



## SDG



## OUR GOAL

To install and secure assurance systems at all levels - quality, financial, social, health and safety and environment.

## WHAT WE DID IN 2021:

Our four member executive committee has proven to be an asset in the extreme volatile times we are living. Agility in the decision process without disregarding the accountability to all workers have been top of mind.



# 4. Happy employees

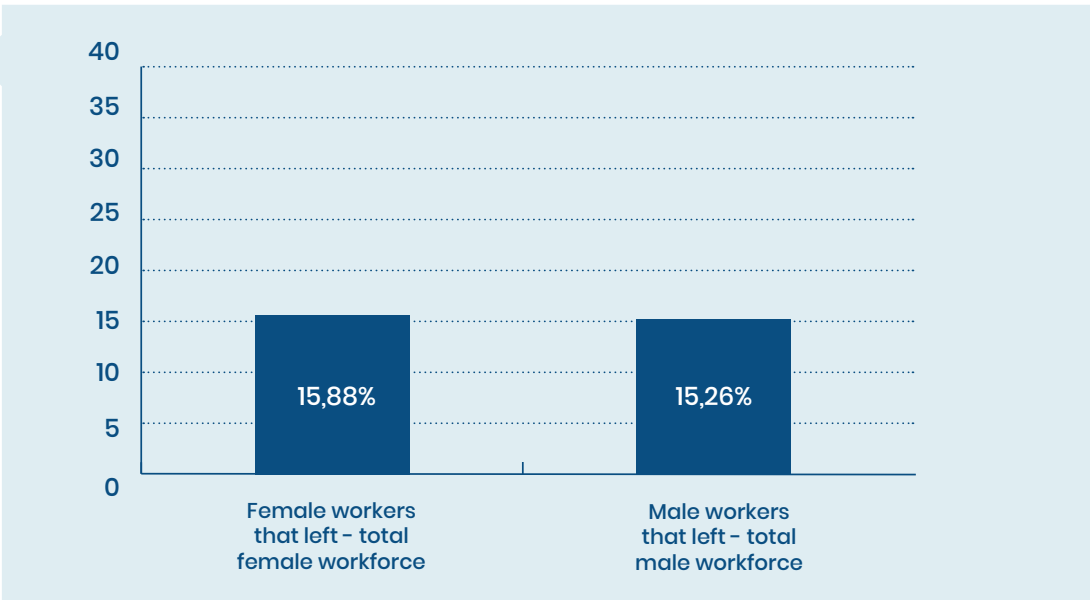
## RELATED IMPACTS

Decent work, health and safety, living wage

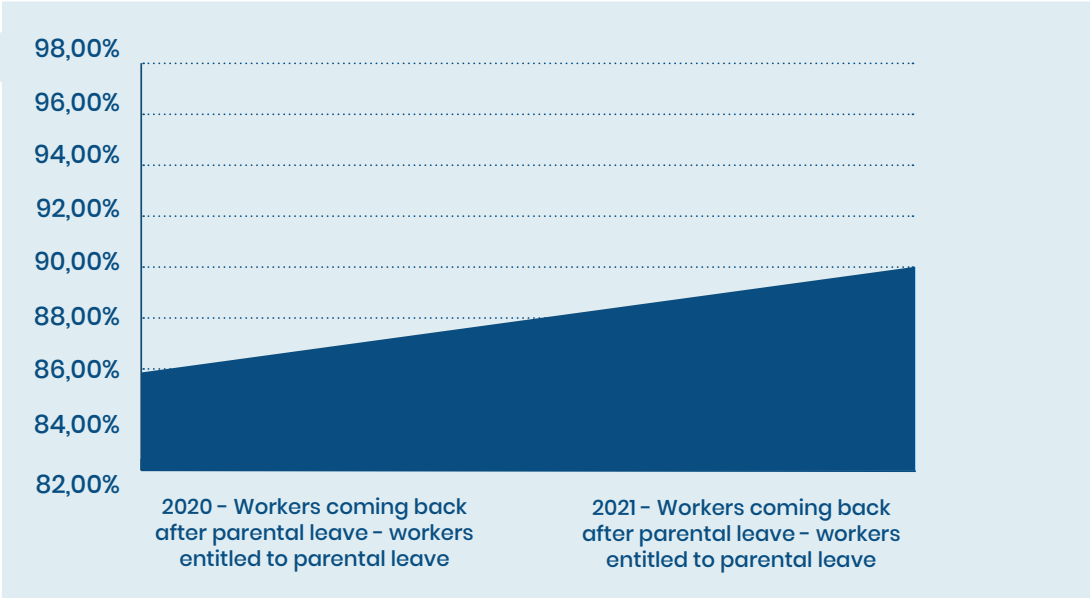
## KEY FIGURES

- 91% of workers who were entitled to parental leave came back to work after the leave ended
- 15% of total workforce left over the past year – ‘normal’ turnover rate is consider between 12% and 20%

Workforce turnover rate



Back to work after parental leave



## OUR GOAL

An employee turnover rate of 10%.

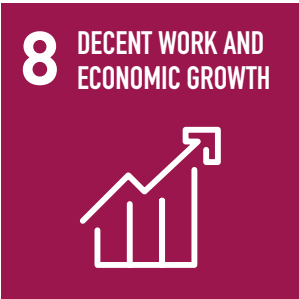
## WHAT WE DID IN 2021:

We invested in our HR department in Tunisia, hiring an experienced local professional. Employee status were upgraded to a level that workers have more easy access to credit.

## WHAT WE ARE DOING

We are currently reviewing the management systems in order to prepare for the Oeko-Tex Step certification. This include crucial issues such as an upgrade of our grievance systems and overall worker participation.

## SDG





# 5. Quality of products

## RELATED IMPACTS

Customer safety, customer satisfaction, environmental impact of materials

## KEY FIGURES

- 99,49% without complaints

## OUR GOAL

A steady quality level of above 99%

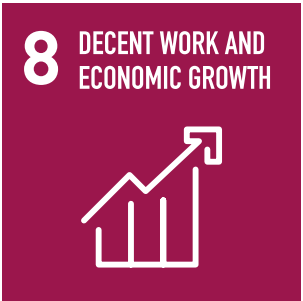
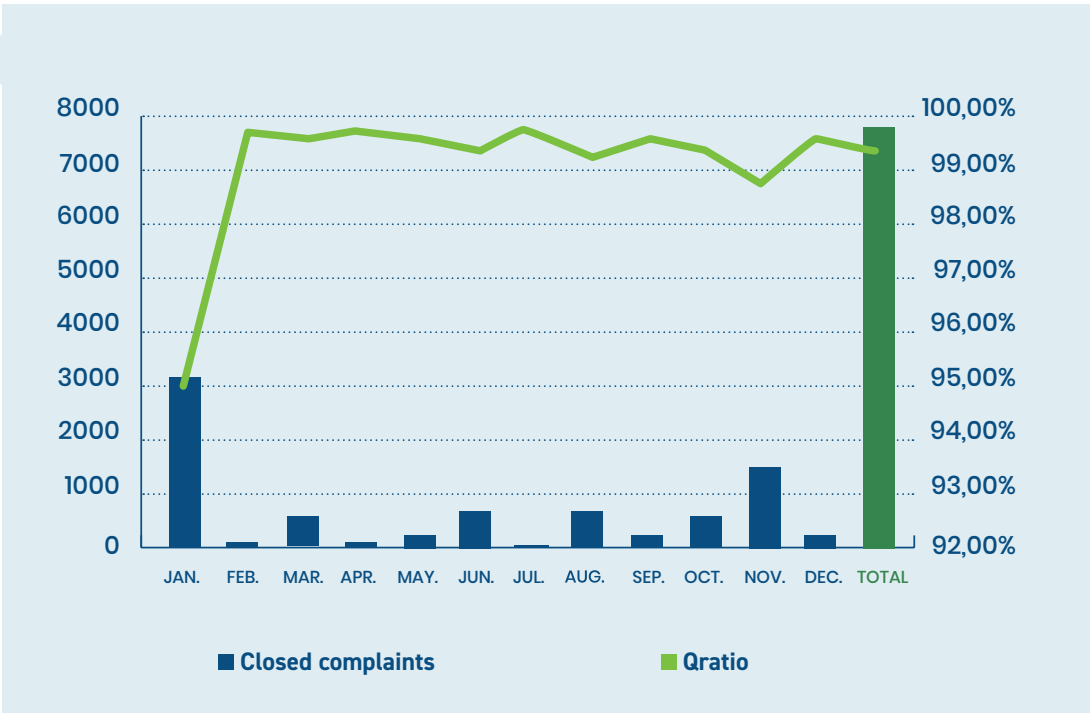
## WHAT WE DID IN 2021:

Complaint system counting was reviewed. (see also page 30 for an interview with our Quality Director).

## WHAT WE ARE DOING

We hold the QA system under constant review and are continuously striving for higher standards, which is a challenge knowing we have on average 15.000 orderlines per month. Top priority is to safeguard the total autonomy of Quality Inspection, which is a major contribution to the effectiveness of the system. We are working on a quality index in order to harmonize supply chain, which will permit a more transparent and comprehensive communication on quality to stakeholders.

Invoices  
pieces /  
closed  
complaints



# 8 Focus on... quality

INTERVIEW WITH CAROLINE STEVENS

Year after year, 'product quality' is at the top of the list of topics that our stakeholders consider important. Not coincidentally, because our clothing has to protect and offer comfort day in and day out. And that is only possible if the quality of the product is flawless. We never compromise on that.

But why focus on quality in a sustainability report? The better we can guarantee the quality of our products, the longer they will continue to protect and offer comfort. In short, there is a direct line between quality and durability. And that is precisely the factor that determines the sustainability impacts of a product the most. Just to mention one; for every extra wear we can guarantee, we avoid the CO2 emissions - 13kg/piece - that come with producing a new garment.

We were able to ask our quality manager, Caroline Stevens, a number of questions. She gives us a unique insight into the system behind Alsico's quality. "Quality management is much more than a process," says Caroline. "It is a culture, where everyone knows perfectly well what is expected of them."

## Where does the road to a quality product start?

"With the very first contacts our sales people make with the customer. They must be able to translate the customer's comfort and safety requirements

into concrete quality requirements. We discuss these requirements in special teams where all the expertise comes together. The result is a requirements analysis that forms the basis for the new product to be made. With this file, we make a first model, a kind of mould, which the entire production will be based on. The duration of this preliminary process depends on the questions that we have to solve during the development phase. But six months is not exceptional.

## Is that sample enough to guarantee the quality throughout the productions?

No, it is not. We have two independent systems that assure the quality independently of each other. The quality control in the factory is closely monitoring every step and checking if requirements are met. Before the finished products are shipped, they are independently checked by an inspection team at a different location. So there can be no influence.

## But isn't quality subjective by nature?

It is certainly is not. We have made the whole system objective. Our quality assurance system is based on established objective criteria and international standards. We work with prevention and detection. Both are based on detailed processes. So there is no margin for interpretation. Those processes make the system robust

and predictable. You will always know what kind of quality you get from us.

## How do we learn from the quality system?

The quality inspection will report every non-conformity to the production manager in a report. We discuss these reports. The outcome are very concrete corrective and/or preventive measures that can avoid the identified error in the future. In a similar way, we learn from our complaints system. Complaints are the purest form of feedback. We will analyse each complaint in detail and formulate corrective and/or preventive measures. If you then follow up these measures carefully, you can take the system to a higher level. A while back, for example, we had a problem with logos that came loose.



We were able to solve that by taking a close look at the entire thermofix process. The machine is now checked daily for temperature and pressure. And all checks are neatly recorded by date in a file.

## How does quality ensure a longer life for the clothing?

Of course, the quality of the raw material is very important for the lifespan. But our manufacturing plays an equally important role. The type of seams we use are chosen for their strength. For example, a pocket in a nursing tunic will be set up with a stronger seam. Because we know that nurses use these pockets intensively. Even if it contains a pair of scissors, a pen and a thermometer, these seams will hold the pocket together. We also make sure that snaps and zips are used in such a way that they are easily repairable.

## What is the strength of the system?

That it is more than a series of processes. It is a beautiful chain in which every player knows perfectly well what her/his role is. And everyone also knows its importance. It is a very strong culture that we have built up over many years. That is without doubt the best guarantee we can give for the quality of our products.



# 9 Focus on...

## CO2-EMISSIONS

### WHAT?

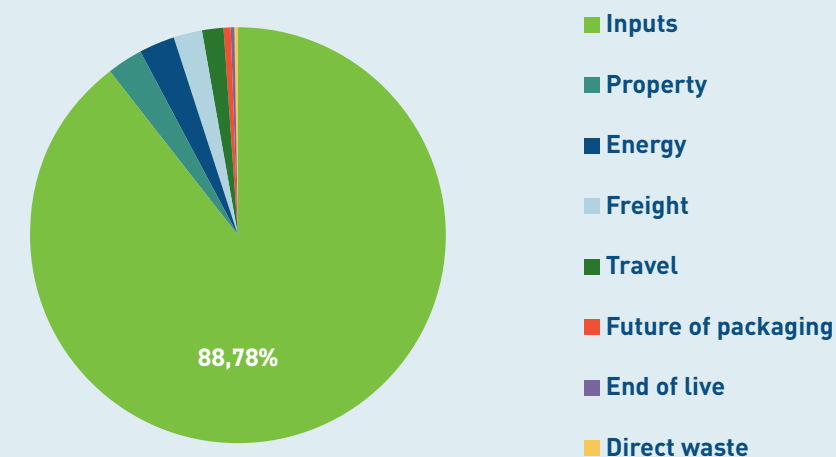
We have now conducted the 4th complete CO<sub>2</sub>-footpring of our activity. Complete means that we include not only scope 1 and 2 – direct emissions and emission through purchase of energy – but also the much more complex scope 3. This covers all emissions of means of production that are not ours, including all purchases of raw material and other inputs needed. The calculation is based on all information available from our accounting system. All financial traceable activity – from the smallest purchase to global energy consumption – can thus be converted in CO<sub>2</sub>. By doing so we were able to prioritize and take action on the most important sources of emissions.

### WHY?

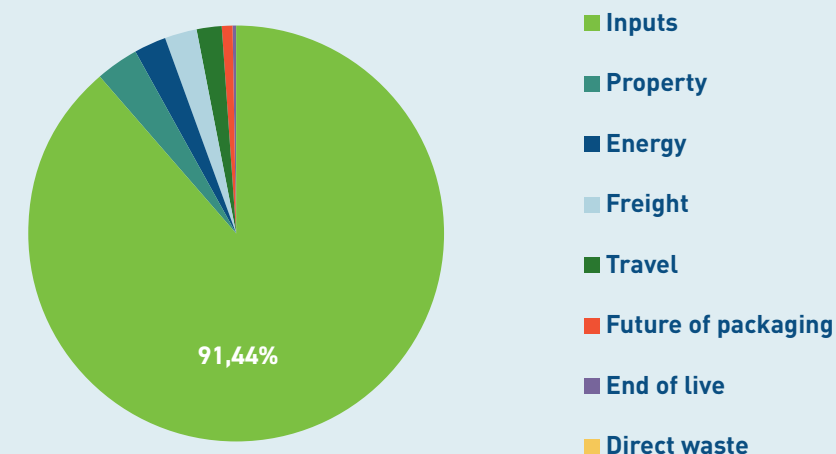
The 6th IPCC-report leaves no doubt, we are currently entering an accelerated climate crisis (see also page 10 – letter from Vincent Siau ). Alsico believes we have to curb emissions so that climate change will remain 'manageable'. To keep on track for our target – net zero by 2034 - we need the steady information of a yearly carbon footprint.

### RESULTS?

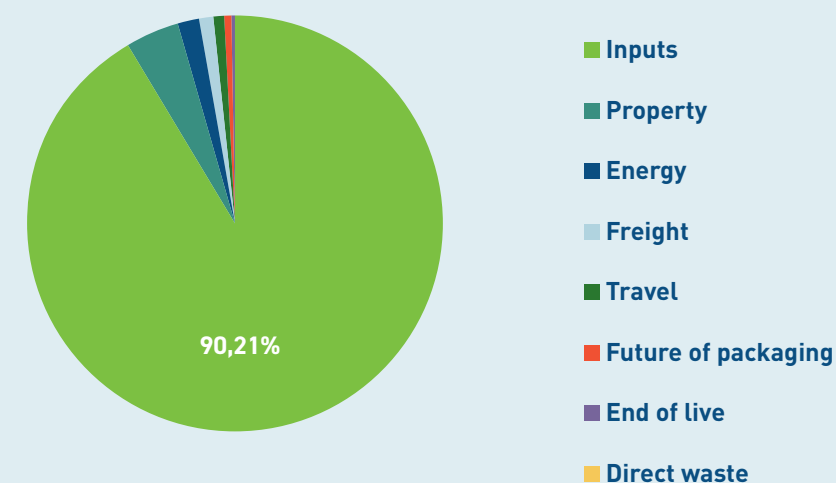
By including the scope 3 emissions we were able to detect the weight of our raw material in our overall emissions. Here you see the most important emission sources over time. Freight and travel have overtaken energy as a major emission source. Property are 'historic' emissions from means of production we posses – and that have emitted CO<sub>2</sub> when they were produced. Since CO<sub>2</sub> emissions do not go away from our atmosphere it is important to count in those past emissions as well.



Alsico -  
Global  
emissions  
2019



Alsico -  
Global  
emissions  
2020

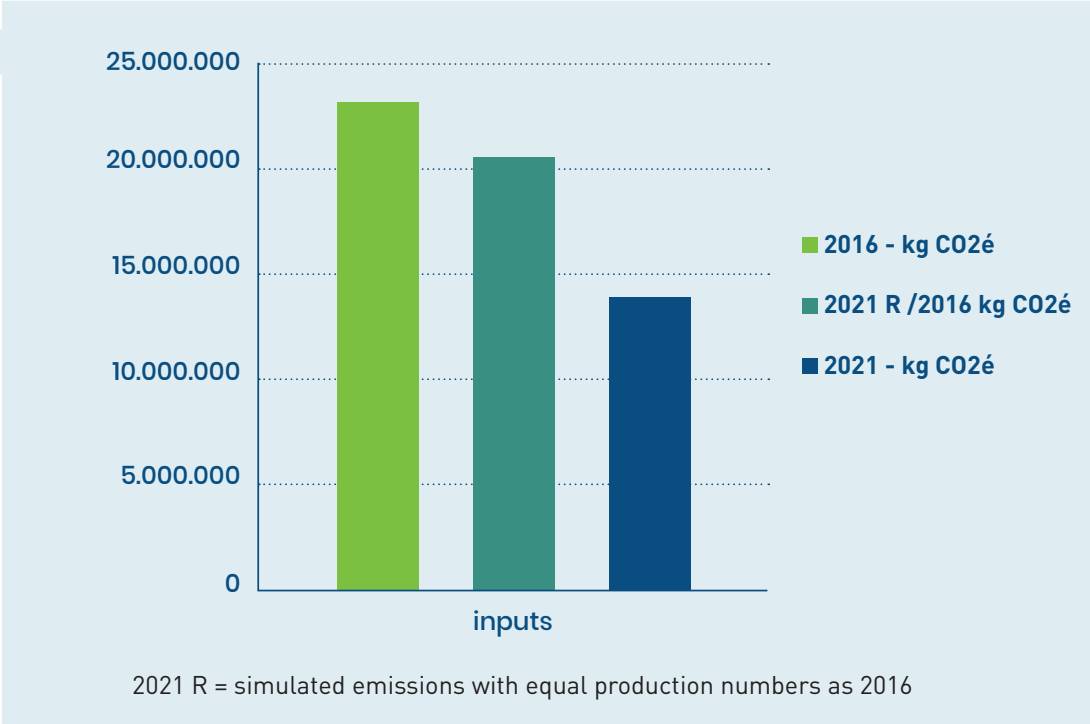


Alsico -  
Global  
emissions  
2021

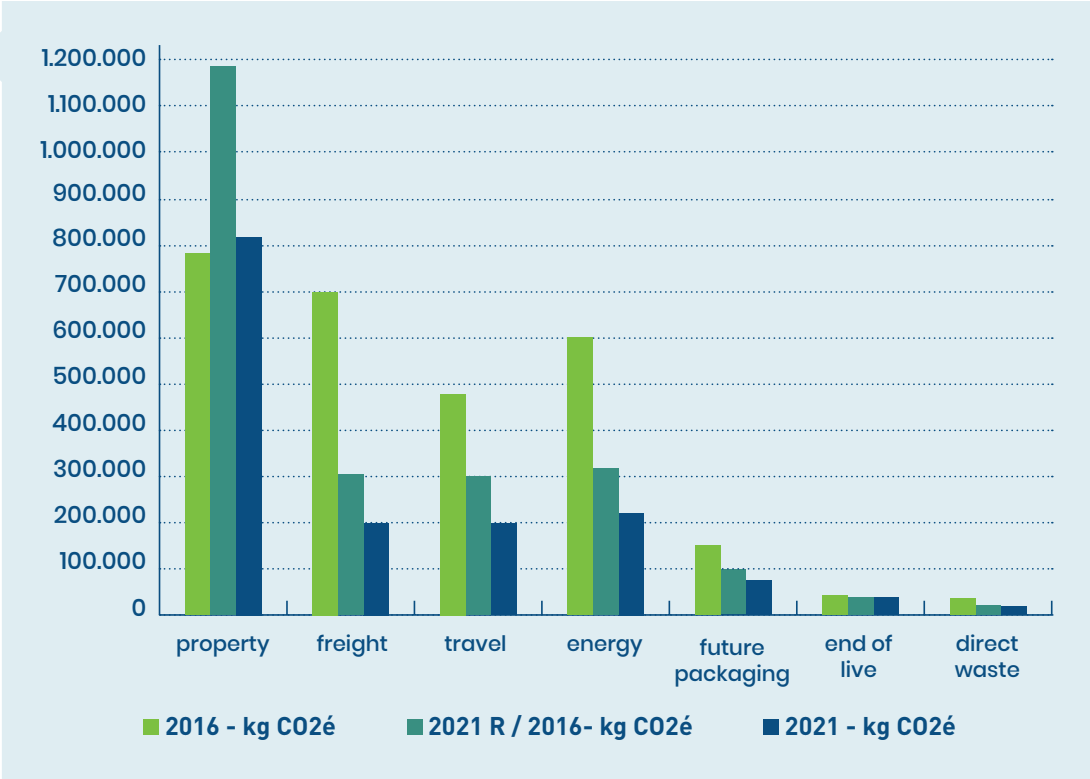


In comparison to our base year 2016 **we reduced overall emissions by 37%** to a total of ton 16,278 metric tons of CO<sub>2</sub>e. When we compare to the exceptional year that was 2020 we also see a considerable reduction of 20%. Part of this was due to a decrease in production. However, if we simulate the same number of clothing produced in 2016 we see **a structural reduction of 11%** in relation to 2020 and a reduction of 10% in relation to the base year. This means that the actions we have taken since – concentrating production in Tunisia, moving towards sustainable fabrics, moving to an energy efficient new warehouse, increasing share of renewable energy sources, reducing packaging and taking back clothing for recycling – have had their effect. The full impact of our most important action – developing a fabric that slashes emissions by two thirds – is not yet noticeable since commercial distribution only started in 2022.

ALSICO  
2016 / 2021  
Input



ALSICO  
2016 / 2020  
All exl input



ACTIONS:

The logistics part of our activity has already moved to an energy efficient building, other services will follow over the next months. The 2021 emissions show the impact of the old energy consuming premises disappearing from the counting. But also Scope 1 – direct emissions – have dropped by 56%, especially due to an over 80% drop in car kilometres.

Raw materials are still the most important source of our emissions. As mentioned before, a new sustainable stretch fabric has been developed over the past year. A single criterion LCA conducted by an external partner revealed that Alsi-Flex emits 72% less CO<sub>2</sub> over its total supply chain compared with classic polyester cotton fabric. We have adapted our ERP system in order to take fully in account the fabric compositions that have low overall CO<sub>2</sub> emissions.

‘We reduced greenhouse gas emissions by 20% compared to 2020’

INSETTING CO<sub>2</sub> EMISSIONS:

Over the past five years Alsico has offset its remaining emissions by working with an independent organization that sets up tree planting projects in our supply chain. Contrary to ordinary offsetting where organisations buy certificates of projects that reduce CO<sub>2</sub>, **the compensation of CO<sub>2</sub>-emission happens through direct action in our own supply chain.** For each 100kg of CO<sub>2</sub> we emit, we buy a tree that is planted by a project empowering local communities. Last year we planted 37 629 trees. They cover **emissions from all operations, excluding raw materials, as well as the raw materials of the Alsico collections and the face masks** we produced.





# 10 Focus on... circular economy

## A FULL GROWN END-OF-LIFE HUB IN OUR BELGIAN SITE

### WHAT?

Recycling is often seen as a synonym to circular economy. The most efficient use of raw materials however is to keep them in the loop at their highest value. For clothing this means we have to create and produce pieces that can be washed and worn as long as possible. This is an effort that starts with our full life cycle quality management (see page 30.).

But even quality clothing comes at a point where it can no longer be worn without losing its functionality or protective features. For years we have offered taking back this end-of-life clothing as a service. In 2021 we went one step further and created **a fully operational and easy-access end-of-life hub**.

Through a form on our website, customers can now schedule an appointment for collection. They bring the clothing to our warehouse, where our staff will sort it in six different streams and guide them to recycling, either for insulation material or new fiber. Based on the weight the client get invoiced – 0,25 EUR/kg – and receives a certificate with the number of pieces and weight that was delivered.



For every kilo of end-of-life clothing we collect, we put 0,05 EUR in a fund that aims at financing fiber-2-fiber-recycling options.

### WHY?

Creating an end-of-life-hub is not an isolated action, it is directly supporting our three main sustainability goals. It will help to build knowledge on the quality and type of end-of-life-streams that exist. In order to make a quality product with a maximum of recycled content we need to experiment with the clothing we get back after use. Thanks to our traceability system we know exactly what type of materials we have used – and can reuse. Also we will get a grip on the quantities that are coming back. This will be crucial in order to create reliable streams of recyclable feedstock/ raw material. By increasing the share of recycled content we will cut CO2-emissions of our raw materials. Each kilo of recycled polyester for example cuts CO2-emissions in half compared to virgin polyester. Also, by having an operational take-back system Alsico is fully compliant with the Extended Producer Regulation for the textile industry that will come into effect as soon as January 2023 – in the Netherlands – and January 2025 – EU-27.

### WHO

Special attention needs to be given to the people who are actually running the hub. Over the past years several tasks in our Belgian production have been transferred to Tunisia. We have a strong commitment to the people that are still working in our atelier that they can continue there. This project created a variety of new tasks that involved sorting, invoicing and record keeping. Two of our long time production workers have adopted those tasks in a natural way. Christine and Hugues are now de facto in charge of the operations of the End-of-Life hub. “We have continuously reviewed the processes together, in way that I feel that we really contributed to the system as it works today”, say Hugues. He was able to add some new skills as well. “The invoicing in our ERP system was definitely a new and interesting experience.” Same conclusions we hear from Christine: “It’s good to be able to learn. The way we handle the customer applications, the invoicing, all of this gives you some extra skills.” She sees this an important project for Alsico.

**“I am quite convinced that we need to do this in order to be ready for the future challenges of the industry.”**

### HOW DOES SUCCESS LOOK LIKE?

Over the past years Alsico has taken back for recycling something between 5 and 30 tons of clothing per year. That is 0,8% to 5% of our total output in weight. In 2021 we aim for at least 10% of output to be taken back. By year 3 we want to reach 30% of total output. On average the industry collects 5% of the clothing that is put in the market.



# 11 Performance summary

## 1. EMPLOYEES AND OTHER WORKERS

### ... BY GENDER

Gender	SITUATION 31/12	
	2020	2021
♂	103	190
♀	726	1228
+	829	1428

### ... BY EMPLOYMENT TYPE BY GENDER

Gender	Full-time	Part-time
♂	112	3
♀	711	20
+	823	23

### ... BY REGION

Region name	Situation 31/12/2020
Belgium	55
Tunisia	774



## 2. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2020	2021
Direct economic value generated: revenues*	33 409 176,75 EUR	34 301 629,22 EUR
Operating costs*	34 403 036,11 EUR	33 680 565,00 EUR
Employee wages and benefits*	3 886 007,62 EUR	4 108 747,24 EUR
Payments to providers of capital	0 EUR	0 EUR
Total payments to governments	639 179 EUR	78 064,40 EUR
Economic value retained*: 'direct economic value generated' less 'economic value distributed'	28 883 990,14 EUR	29 502 641,98 EUR

\* Added: Alsico nv (Belgium), Alsico Tunisia (Tunisia), Coupe-inter (Tunisia), HTM (Morocco).

## 3. MATERIALS USED BY WEIGHT OR VOLUME

	2020	2021
Non-renewable materials used	90 584,22 kg	319 807,96 kg
Renewable materials used.	815 257,96 kg	959 423,87 kg
Total weight or volume of materials used	905 842,18 kg	1 279 231,83 kg
Percentage of recycled input materials used	0,5%	10%













4. GHG EMISSIONS\*

	2020	2021
Gross direct GHG emissions (scope 1)	178,95 in metric tons of CO2e	77,24 in metric tons of CO2e
Gross location-based energy indirect (Scope 2) GHG emissions	22,46 in metric tons of CO2e	40,98 in metric tons of CO2e
Gross other indirect (Scope 3) GHG emissions	19 360 in metric tons of CO2e	15 217 in metric tons of CO2e
Total GHG emissions**	19 561 in metric tons of CO2e	15 335 in metric tons of CO2e




\* last measurement: 2021  
\*\* GHG protocol does not include property emissions.  
Therefore they differ from our CO2-footprint – which follows Bilan Carbone methodology.

5. NEW EMPLOYEE HIRE AND EMPLOYEE TURNOVER (P45)




New employees	Number	Rate/total		
ALL	155	18,7%	136 (88%)	19 (12%)
	2	0,2%	1	1
	153	18,5%	135	18
	242	40%	201	41

Employee saldo	Number	Rate/total		
ALL	1734	2,6%	24	6
	2	3%	2	0
	29	2,7%	21	1
	146	24%	119	27

6. WORK RELATED INJURIES

	Number	Hours worked	Rate/200.000 hours
ALL	12	2 486 650	0,96
	6	76 556	15,67
	3	1 581 973	0,379
	3	828 121	2,9

7. ENERGY USE

	2020	2020	2021	2021
	Electricity from renewable sources	Electricity from non-renewable sources	Electricity from renewable sources	Electricity from non-renewable sources
	152 797 kWh (solar/ wind/ own production)	-	163 942 kWh (solar/ wind/ own production)	-
	-	967 937 kWh (natural gaz)	-	967 937 kWh (natural gaz)
	-	-	-	273798,27 kWh
Total	152 797 kWh	967 937 kWh	163 942 kWh	1405677,27 kWh





2 461 688 m<sup>3</sup>

8. WATER FOOTPRINT THROUGH COTTON PURCHASES

	2020	2021
Cotton purchases	293 tons	323 tons
Blue water footprint (extracted) at plantation	1 242 906 m3	1371353,76 m3
Green water footprint (captured) at plantation	1 249 352 m3	1378465,92 m3
Bleaching	11 720 m3	22 410 m3
Dyeing	41 020 m3	104 580 m3
Printing	55 670 m3	141 930 m3
Finishing	41 020 m3	104 580 m3
Total	2 641 688 m3	3 123 319,68 m3

\* Following the criteria Chapagain and Hoekstra (2006) proposed



9. DIVERSITY OF GOVERNANCE BODIES

Diversity categories for organization's governance bodies	Percentage
i. Gender: Male	50%
i. Gender: Female	50%
ii. Age group: under 30	0%
ii. Age group: 30-50	75%
ii. Age group: over 50	25%





# 12 GRI Content Index

Alsico nv Sustainability Report Content Index		
GRI Standard	Disclosure	Page number(s)* and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1	Name of the organization 2 - 3
	102-2	Activities, brands, products, and services 2 - 3
	102-3	Location of headquarters 2 - 3
	102-4	Location of operations 2 - 3
	102-5	Ownership and legal form 2 - 3
	102-6	Markets served 2 - 3
	102-7	Scale of the organization 2 - 3
	102-8	Information on employees and other workers 2 - 3
	102-9	Supply chain 2 - 3
	102-10	Significant changes to the organization and its supply chain 10 - 11
	102-11	Precautionary Principle or approach 52 - 53
	102-12	External initiatives 6 - 7
	102-13	Membership of associations 6 - 7
	Strategy	
	102-14	Statement from senior decision-maker 10 - 11
	102-15	Key impacts, risks, and opportunities 10 - 11
	Ethics and integrity	
	102-16	Values, principles, standards, and norms of behavior 52 - 53
	Governance	
	102-18	Governance structure 4
	102-20	Executive-level responsibility for economic, environmental, and social topics 24
	102-21	Consulting stakeholders on economic, environmental, and social topics 14
	102-22	Composition of the highest governance body and its committees 43
	102-23	Chair of the highest governance body 10
	102-29	Identifying and managing economic, environmental, and social impacts 14 - 15
	102-30	Effectiveness of risk management processes 18 - 28
	102-31	Review of economic, environmental, and social topics 18 - 28
	Stakeholder engagement	
	102-40	List of stakeholder groups 14
	102-41	Collective bargaining agreements 14
	102-42	Identifying and selecting stakeholders 14
	102-43	Approach to stakeholder engagement 14
	102-44	Key topics and concerns raised 18
	Reporting practice	
	102-45	Entities included in the consolidated financial statements 8
	102-46	Defining report content and topic Boundaries 14
	102-47	List of material topics 15
	102-48	Restatements of information 8
	102-49	Changes in reporting 8

\*the page numbers refer to the content in this report. You can download the report at:  
<https://www.alsico.eu/nl/alsico-duurzaamheid-elke-vezel>

GRI 101: Foundation 2016			
General Disclosures			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	10 - 11
	103-2	The management approach and its components	10 - 11
	130-3	Evaluation of the management approach	10 - 11
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	18 - 28
GRI 301: Materials 2016	301-1	Materials used by weight or volume	39
	301-2	Recycled input materials used	39
	301-3	Reclaimed products and their packaging materials	39
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	18 - 28
GRI 302: Energy 2016	302-1	Energy consumption within the organization	38
	302-2	Energy consumption outside of the organization	38
	302-4	Reduction of energy consumption	38
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	40
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	40
	303-2	Management of water discharge-related impacts	40
	303-3	Water withdrawal	40
Biodiversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	40
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	40
Emissions			
GRI 103: Management Approach 201	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	32
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	40
	305-2	Energy indirect (Scope 2) GHG emissions	40
	305-3	Other indirect (Scope 3) GHG emissions	40

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<b>Environmental Compliance</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	56
	<b>103-3</b>	Evaluation of the management approach	38
<b>GRI 307: Environmental Compliance 2016</b>	<b>307-1</b>	Non-compliance with environmental laws and regulations	38
<b>Supplier Environmental Assessment</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	50
	<b>103-3</b>	Evaluation of the management approach	13
<b>GRI 308: Supplier Environmental Assessment 2016</b>	<b>308-1</b>	New suppliers that were screened using environmental criteria	13
	<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	13
<b>400 series (Social topics)</b>			
<b>Employment</b>			
<b>RI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
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<b>GRI 401: Employment 2016</b>	<b>401-1</b>	New employee hires and employee turnover	39
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<b>Labor/Management Relations</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	50
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<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	56
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<b>Training and Education</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	50
	<b>103-3</b>	Evaluation of the management approach	4
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b>	Average hours of training per year per employee	4
	<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	4
	<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	4
<b>Diversity and Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	58
	<b>103-3</b>	Evaluation of the management approach	42
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b>	Diversity of governance bodies and employees	43
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<b>Non-discrimination</b>			
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<b>GRI 406: Non-discrimination 2016</b>	<b>406-1</b>	Incidents of discrimination and corrective actions taken	42
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	<b>103-3</b>	Evaluation of the management approach	40
<b>Child Labor</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	50
	<b>103-3</b>	Evaluation of the management approach	13
<b>GRI 408: Child Labor 2016</b>	<b>408-1</b>	Operations and suppliers at significant risk for incidents of child labor	13
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<b>GRI 409: Forced or Compulsory Labor 2016</b>	<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	13
<b>Human Rights Assessment</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
	<b>103-2</b>	The management approach and its components	50
	<b>103-3</b>	Evaluation of the management approach	40
<b>GRI 412: Human Rights Assessment 2016</b>	<b>412-1</b>	Operations that have been subject to human rights reviews or impact assessments	4
	<b>412-2</b>	Employee training on human rights policies or procedures	4
<b>Customer Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
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	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	28
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<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
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<b>Customer Privacy</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	14
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# 13 Code of Conduct

## FOR ALSICO NV AND ITS SUPPLIERS

### SUSTAINABILITY POLICY

We are a family company that is globally active. We design, produce and distribute quality workwear and protective clothing now for more than 85 years. Our work is based on mutual trust between partners, respect and real concern for the people we work with, as well as on an economic long-term vision that takes into account impacts on people and environment.

We define our sustainability policy as a consistent impact management: we acknowledge and take accountability for our impacts through a continuous process of human rights due diligence as described in the OECD Guidance for Responsible Supply Chains in the Garment and Footwear Sector. By inquiring regularly our main stakeholders – workers, suppliers, local and international ngo's – we detect where risks of negative impact occur and whom they affect, we document the due diligence process and define tangible goals to remediate negative impact by means of a yearly action plan.

Due diligence is about identifying, preventing and reducing the risks that occur in upstream or downstream supply chains. In the end it is about choosing to reduce those risks, or to increase them by neglecting the fact those risks exist. Alsico chooses to reduce risks by adopting due diligence as a management system. On top, each year we report on the materiality of impacts and progress made in our GRI-sustainability report.

We translated this into a set of guidelines based on the ILO-Conventions, the UN Guiding Principles on Business and Human Rights, the 10 Principles of the UN Global Compact, of which we are a signatory, as well as on the principles of sustainable procurement and circular economy.

We would like to stress that these guidelines and the followings code of conduct apply to Alsico and all our suppliers, as well as their suppliers, agents and possible subcontractors. It constitutes the fundament of our procurement policy. Signing this code is a condition for cooperation. Non-compliance has to lead to immediate action, then we count on collaboration of all parts involved.

Progress on risks and actions defined in our due diligence will be part of regular supplier meetings. Reducing social and environmental risks in the textile supply chain is a work that can only succeed by cooperating. We sincerely hope that this document can be a basis for this necessary cooperation:

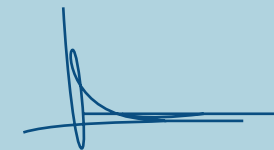
- **Accountability:** as an organization Alsico is accountable for its impacts on society, the economy and the environment and for what is happening in its supply chains, taking into account the life cycle of goods and services;
- **Transparency:** Alsico wants to be transparent in its procurement decisions and activities that impact society, the economy and the environment. Alsico will encourage its suppliers also to be transparent.
- **Ethical behaviour:** Alsico will behave ethically and promote ethical behaviour throughout its supply chains;
- **Respect for stakeholder interests:** Alsico respects considers and responds to the interests its stakeholders impacted by its procurement activities;

- **Respect for the rule of law and international norms of behaviour:** Alsico respects the rule of law, international norms of behaviour and human rights, and will prevent actively any violations throughout its supply chains. Alsico encourages its suppliers to abide by these rules and assess and address compliance as situations require.
- **Transformative and innovative solutions:** Alsico seeks transformative solutions to address its sustainability objectives and encourages innovative procurement practices to promote more sustainable outcomes throughout the entire supply chain;
- **Focus on needs:** Alsico reviews demand, buys only what is needed and seeks more sustainable alternatives first;
- **Integration:** Alsico ensures that sustainability is integrated into all existing procurement practices to maximize sustainable outcomes;
- **Global cost:** Alsico considers not only the total cost incurred by the organization from its procurement but also considers the costs and benefits to society, the environment and the economy.

This is reflected in the following guidelines which describe our minimum expectations towards business ethics, working conditions, human rights and environmental responsibility. These guidelines apply to ourselves, to our suppliers as well as to their suppliers, subcontractors and agents. Then, only when all partners in the value chain take accountability we can create positive impacts in line with the UN Sustainable Development Goals.

I would kindly ask to sign these guidelines and take the opportunity to thank you for your cooperation and support for Alsico's activities.

Yours sincerely,



Vincent Siau  
Managing Director Alsico nv



## ALSICO SUSTAINABILITY GUIDELINES

The following specific guidelines should be followed. Evidence of non-compliance will result in a demand for immediate action on – proven - remediation. Unwillingness to cooperate on resolving breaches of these guidelines or repeated misconduct, will result in terminating the partnership:

### 1. HUMAN RIGHTS

#### 1.1. Respect for human rights

We will support and respect the protection of internationally proclaimed human rights. As a part of the textile supply chain we have the duty to comply with all applicable human rights laws, including the all articles of the European Convention on Human Rights.

#### 1.2. Avoid complicity in abuse

We will make sure that we are not complicit in human rights abuses. We shall ensure that that our affiliates, representatives, agents, subcontractors, suppliers and employees comply with all applicable human rights laws including all the articles of the European Convention on Human Rights.

### 2. WORKING CONDITIONS

#### 2.1 Freedom of Association and Collective Bargaining

We recognize and respect the rights of workers to exercise lawful rights of free association, including joining or not joining any association. We also respect any legal right of workers to engage in collective bargaining (ILO Conventions 87 and 98). In those situations in which the right to freedom of association and collective bargaining are restricted under law, we facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation

functions. (ILO Convention 135 and Recommendation 143)

#### 2.2. Fair remuneration

Workers shall be paid a living wage instead of just the legal minimum wage. Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131).

#### 2.3. Child Labour

We categorically reject the employment of children. Under no circumstances there shall be use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.” (ILO Convention 138)

#### 2.4. Special Protection for Young Workers

We commit to provide special protection to any workers who have reached the minimum age to work but who have not reached legal adult age. Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.” (ILO Convention 182)

#### 2.5. No forced or compulsory labour;

We do not tolerate any type of involuntary or forced labor, including indentured, bonded, prison or slave labor.

There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. (ILO Conventions 29 and 105)

#### 2.6. No discrimination

We reject all forms of discrimination (color of skin, gender, language, ethnic origin, religion, political affiliation, union membership, social origin, deficiencies or handicaps) in respect of employment and occupation. Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities (ILO Conventions 100 and 111). Meanwhile we have the duty to create working conditions free of sexual, psychological or verbal harassment (ILO Convention 190).

#### 2.7. Occupational Health and Safety

We must ensure a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it. In order to create a safe and hygienic working environment the best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155).

#### 2.8. Working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not be required to work in excess of 48 hours per week on a regular basis. They shall be provided with at least one

day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

#### 2.9. No precarious employment

We have the duty to hire workers based on documented contracts according to the law. Apprenticeships can be used as a way to hire personnel, but the apprentices have to be offered an outlook to further employment. Younger workers shall be given the opportunity to participate in education and training programs.

### 3. ENVIRONMENT

#### 3.1. Non-toxicity of production process, products and services

We take all necessary steps in order to make sure that processes, products and services are safe for human beings and compliant with all European environmental and safety regulations as well as the local laws of the country and region in which they operate. Suppliers should encourage their business partners to take the same precautionary approach to environmental challenges; specifically in the textile supply chain there should be taken a precautionary approach in relation to water consumption in the production stage of natural fibres, waste water discharge in the stage of production of man-made fibres and in the dyeing, finishing of fabrics, the use of pesticides in the production of natural fibres and the use of hazardous substances in the production stage of all types of yarn and fabrics.

#### 3.2. Circular approach to raw materials and energy

We have the duty to pursue effective environmental protection using measurable data in a management system in order to reduce the environmental footprint of our products through-out their life-cycle. This compre-





hensive approach includes but is not limited to: reducing energy, water consumption, CO2- emissions, waste, increasing use of renewable materials and energies, sourcing locally, training people, invest in environmentally friendly technologies.

#### 4. ETHICAL BUSINESS BEHAVIOR

##### 4.1. ALSICO NV does not tolerate any acts of corruption, extortion, embezzlement or bribery in the Supplier's facilities nor in its supply chain.

Suppliers, their affiliates, representatives, agents, sub-contractors, suppliers and employees shall comply with all applicable anti-bribery laws and regulations, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. Suppliers are expected to operate honestly and equitably throughout the supply chain in accordance with local laws pertaining to:

- Business Integrity - Anti-Corruption rules
- Disclosure of Information to stakeholders
- Protection of Intellectual Property
- Responsible Sourcing
- Respect of Company and Personal Data: compliance to GDPR
- Conflicts of interest

**4.2. ALSICO suppliers warrant** that they shall not (they shall ensure that their affiliates, representatives, agents, sub-contractors, suppliers and employees shall not) give, offer or pay (either directly or through a third party) the payment of any financial or other advantage to any third parties, which would cause us, our affiliates or any group companies or agents to be in violation of any applicable anticorruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.

**4.3. ALSICO suppliers shall disclose** to us all payments they (and/or their affiliates, representatives, agents, sub-contractors, suppliers and employees) have made, are obligated to make or intend to make to any agents, brokers, intermediaries or other third parties in connection with the awarding of any Orders.

#### 5. RESPECT OF COMPANY AND PERSONAL DATA

**5.1.** ALSICO suppliers - independently from their location or their registered office being within or outside of the EC - agree to comply fully with the stipulations of the REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data in his relations with Alsico (group) and or Alsico's (group) customers.

**5.2.** ALSICO suppliers will in particular comply with the stipulations of article 28 of the above mentioned Regulation: Processor, and the (in)directly derived articles from article 28 i.e. articles 31 to 36:

- Cooperation with the supervisory authority
- Security of processing
- Notification of a personal data breach to the supervisory authority
- Communication of a personal data breach to the data subject
- Data protection impact assessment
- Prior consultation

The enumeration of the article numbers above is exemplary and not exhaustive.

**5.3.** At the end of the services or on the termination of the contract ALSICO suppliers shall return all personal data to Alsico (group) whatever choice is made by Alsico (group) and delete any existing copies of the personal data unless otherwise required by EU law.

**5.4.** In addition ALSICO suppliers will make available all information necessary to demonstrate their compliance with its obligations under Article 28 and others of the GDPR, and allow for and contribute to audits by Alsico (group) or another auditor mandated by Alsico (group).

**5.5.** Alsico (group) and their suppliers agree that if one of both parties should be held responsible for a breach of this clause that originated from the other party, the remaining party should be paid a compensation covering all costs, damages, fees or losses that were incurred from the respective breach.

#### 6. SUPPLY CHAIN TRANSPARENCY

ALSICO suppliers shall cooperate in building a transparent supply chain by sharing information on the location (country) and the name of their suppliers. Alsico will categorize suppliers according to the information they give. The most transparent suppliers will be preferred partners in tenders. Ultimately the aim is helping our suppliers to improve their transparency and reach the highest transparency category.

**We hereby declare that we will uphold these standards and cascade them down our supply chain.**



# 14 Environmental health & safety

## POLICY

Alsico is fully committed to continual improvement to enhance its environmental performance, through constant review, in order to provide an effectively controlled environmental and health and safety (EHS) management system.

### 1.SCOPE

This Environmental Health and Safety Policy Statement is applicable to all areas of our business, including offices, warehouses, stores, showrooms and/or production facilities that are owned by Alsico.

### 2.OBJECTIVE

The policy is derived from our Sustainability Policy as it is written in the Alsico and Supplier Code of Conduct. It has been implemented to manage our operations in a safe, healthy, energy-efficient and environmentally responsible manner. As such it is a commitment towards continuous improvement of our EHS performance. The Policy document meets the requirements of the ISO 14001:2015.

### 3.POLICY

#### 3.1. It is our Policy to:

- Protect the Environment throughout our production chain according to the precautionary principle, as defined in the Kyoto Protocol, in order to exclude any harmful substance, also in case of doubt.
- Improve our environmental performance in all aspects of our business and in particular to significant aspects of our operations.
- Reduce/ Reuse / Recycle materials wherever we see opportunities to do so. In a way that eco design becomes the standard for all our products.
- Minimise the environmental impact, for the life cycle (including disposal) of all plant, equipment, and

other physical assets under our control.

- Promote awareness of the specific environmental issues that are involved in our operations amongst staff, clients and other stakeholders.
- Comply with or exceed applicable legal requirements, compliance obligations, directives and guidelines, at all times.
- Establish clear, measurable and appropriate strategic goals, objectives and action plans for the detected environmental aspects relevant to our operations and supply chains;
- Provide safe and healthy working conditions to prevent work-related injury and illness;
- Provide employees policies, standards, training, tools and equipment to work safely and understand their responsibility for meeting EHS expectations;
- Control occupational health and safety risks and hazards applying the hierarchy of controls;
- Make appropriate protective equipment available to provide employees with a healthy and safe work environment;
- Promote and support employee and leadership participation in the improvement of environmental and health and safety-processes.
- Monitor actively the progress made on the actions and goals that are set in the yearly action plan.

#### 3.2. Roles and responsibilities

Through the Environmental and H&S-Policy and actions, **Alsico leadership** will:

- Ensure that the policy is integrated into business strategies and processes;
- Actively support and sufficiently resource the management system;

- Encourage and support employees participating in activities concerning improvement of environmental and health and safety-processes;
- Develop forward-looking objectives and performance measures and continually improve the management system;
- Ensure that regular checks are performed across the business to determine to which extent objectives have been implemented and to monitor management system effectiveness and success;
- Regularly review the management system to ensure it is effective, adequate, suitable as well as compatible and consistent with the policy and objectives, business strategies and processes and that it achieves intended outcomes;

All of our **employees** have been briefed and are fully aware of our Environmental Policy. This document is reviewed at least annually or when changes occur and a revision maybe required.

Through **stakeholder engagement and cooperation** Alsico aims to develop and refine its environmental policy by remaining abreast of current and future best practice developments and corporate environmental standards. To this end, it supports the work of the organisations such.

### 4.GOALS AND ACTIONS

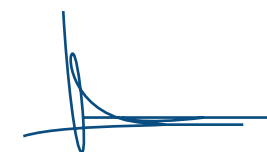
#### 4.1. Main goals till 2030:

- Full climate neutrality on all scopes
- Eliminate all social and human rights risks from the supply chain
- Develop and market a circular product

#### 4.2. Priority actions:

- Excluding all harmful chemical substances, according to the ZDHC roadmap to zero
- Actively enforcing and monitoring the compliance of the ZDHC waste water guidelines with our suppliers
- Scaling back plastic packaging to a minimum, replacing all remaining packaging with recycled PET plastics.

Yours sincerely,



Vincent Siau  
Managing Director Alsico nv



# 15 Human Rights and Anti-discrimination

## POLICY

Alsico is fully committed to give equal opportunities to all workers and candidates applying for a job. Also, we will take all measures to prevent any kind of discrimination and sexual harassment. All while promoting respect for basic human rights at all stages of our operations.

### 1.SCOPE

This Gender and anti-discrimination policy is applicable to all areas of our business, including offices, warehouses, stores, showrooms and/or production facilities that are owned by Alsico.

This policy is relevant to the organization itself, all suppliers and other parties engaged throughout the supply chain. The policy is an integrated part of the ALSICO and supplier Code of Conduct. This code is based on our corporate values for sustainable and responsible operations and aligns with the 10 Principles of the United Nations Global Compact, of which Alsico is a signatory.

### 2.OBJECTIVE

Alsico establishes an explicit gender and anti-discrimination policy that aims to function as a framework for both compliance and positive impact initiatives. The profile of our workforce demands such a framework. Alsico employs over 1000 people in Belgium and Tunisia, of which 71% are women. Our latest materiality assessment among stakeholders revealed that 'happy employees' and 'gender equality' are considered the most material topics.

The policy is derived from our Sustainability Policy as it is written in the Alsico and Supplier Code of Conduct. It has been implemented to guarantee equal opportunities, prevent and offer swift remedy to any kind of discrimination or sexual harassment. As such it is a commitment towards continual improvement of our sustainability performance.

### 3.POLICY

#### 3.1. Equal opportunities and anti-discrimination

We developed a policy in line with the Principles of the UN Global Compact, of which Alsico is a signatory. More specifically we invoke Principle 6: "Businesses should uphold the elimination of discrimination in respect of employment and occupation."

Discrimination in employment and occupation means treating people differently or less favourably because of characteristics that are not related to their merit or the inherent requirements of the job. In national law, these characteristics commonly include: race, colour, sex, religion, political opinion, national extraction, social origin, age, disability, HIV/AIDS status, trade union membership, and sexual orientation.

Alsico will actively monitor the grounds where discrimination in employment and occupation may occur. We put in place processes to exclude and remediate any kind of disadvantageous treatment, such as grievance mechanisms and trusted persons. Following grounds are considered:

- Recruitment
- Remuneration/wage gap
- Maternity protection
- Security of tenure/type of contract
- Promotion
- Access to training
- Hours of work and rest/paid holidays
- Occupational safety and health

#### 3.2. Respect for human rights

We will support and respect the protection of internationally proclaimed human rights. As a part of the textile supply chain we have the duty to comply with all applicable human rights laws, including the all articles of the European Convention on Human Rights.

We will make sure that we are not complicit in human rights abuses. We shall ensure that that our affiliates, representatives, agents, subcontractors, suppliers and employees comply with all applicable human rights laws including all the articles of the European Convention on Human Rights.

#### 3.3. Zero tolerance for sexual harassment

Alsico directors, employees and associated person, the company's suppliers, their affiliates, representatives, agents and subcontractors reject all forms of harassment, including sexual, psychological or verbal harassment. They shall strive to create working conditions to prevent any kind harassment. If any Alsico employee, supplier or associated person would breach the relevant provisions of this clause, or otherwise act in contravention of anti-harassment legislation or human rights law we shall have the right to terminate the agreements of collaboration and all or any orders without notice and with immediate effect.

#### 3.4. Grievance mechanism and trusted persons

Alsico, the company's suppliers, their affiliates, representatives, agents and subcontractors shall provide low barrier grievance mechanisms where people victim of harassment or discrimination can file complaint without fear for losing their job, such as a trusted person, a grievance box managed by an designated responsible who is bound to confidentiality. They shall keep record of the grievances and the treatment of the case.

#### 4.NATURE AND SCALE

Alsico seeks to implement a policy, which is appropriate in nature and scale to the company and in line with its status as defined by EU law, as an SME.

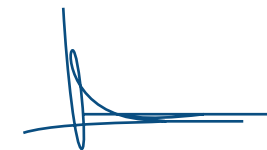
#### 5.DUE DILIGENCE

Alsico is committed to following a continuous due diligence process and engaging with workers, their elected representatives and other stakeholders in order to detect and prioritize ethical, environmental and human rights in its supply chain.

#### 6.CONTINUOUS IMPROVEMENT

Alsico commits to periodically reviewing this policy in order to continually improve, taking into consideration changes in legislation and regulation, any updates in line with best practice, any other requirements to which the Company subscribes and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.

Yours sincerely,



Vincent Siau  
Managing Director Alsico nv

# 16 Ethical trading

## POLICY

**Alsico is fully committed to continually improve its ethical performance and to allocate adequate resources to ensure that we can implement this policy, as well as verify and monitor our performance and that of our suppliers.**

### 1. SCOPE

This Ethical Trading Policy is applicable to all areas of our business, including offices, warehouses, stores, showrooms and/or production facilities that are owned by Alsico.

This policy is relevant to the organization itself, all suppliers and other parties engaged throughout the supply chain. The policy is an integrated part of the Alsico and supplier Code of Conduct. This code is based on our corporate values for sustainable and responsible operations and aligns with the 10 Principles of the United Nations Global Compact, of which Alsico is a signatory.

### 2. OBJECTIVE

The policy is derived from our Sustainability Policy as it is written in the Alsico and Supplier Code of Conduct. The company recognizes its obligations towards its customers, employees and the communities in which it works and has this documented policy in relation to labour standards.

It is Alsico's intention and a key commitment to comply with relevant legal requirements and regulation throughout the supply chain. There is a further commitment to continually improve our ethical performance and to allocate adequate resources to ensure that we can implement, verify and monitor our performance and that of our suppliers.

### 3. POLICY

Alsico does not tolerate any acts of corruption, extortion, embezzlement or bribery in its facilities nor in its supply chain. Suppliers, their affiliates, representatives, agents, sub-contractors, suppliers and employees shall comply with all applicable anti-bribery laws and regulations,

including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. Suppliers are expected to operate honestly and equitably throughout the supply chain in accordance with local laws pertaining to:

- Business Integrity - Anti-Corruption rules
- Disclosure of Information to stakeholders
- Protection of Intellectual Property
- Responsible Sourcing
- Respect of Company and Personal Data: compliance to GDPR
- Conflicts of interest

Alsico demands its suppliers to warrant that they shall not (they shall ensure that their affiliates, representatives, agents, sub-contractors, suppliers and employees shall not) give, offer or pay (either directly or through a third party) the payment of any financial or other advantage to any third parties, which would cause us, our affiliates or any group companies or agents to be in violation of any applicable anticorruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.

Specifically Alsico directors, employees and associated persons are not permitted to pay or offer to pay (directly or indirectly) bribes anywhere in the world with the intention of securing business, or an advantage in the conduct of business, for Alsico. Should any kind of such acts be revealed, then Alsico has the right to terminate the Agreements of collaboration and all or any Orders without notice and with immediate effect.

In addition, Alsico directors, employees and associated persons are not permitted to request, receive or accept any financial or other advantage from third parties. Bribes can include (but are not limited to) cash, gifts, electronic equipment, offers of employment, entertainment, loans, travel, charitable donations and/or political contributions.

Bribery can be defined as: "offering, promising or giving (directly or indirectly) a financial or other advantage to a person, to induce them to behave improperly (or to reward them for so doing); and/or "offering, promising or giving (directly or indirectly) a financial or other advantage to a person, knowing or believing that the acceptance of the advantage would itself constitute the improper performance of a function or activity performed by that person"; and/or "offering, promising or giving a foreign public official (directly or indirectly) a financial or other advantage, with the intention of influencing that official in their official capacity in order to obtain or retain business (or an advantage in the conduct of business) for Alsico where the Foreign Public Official is not permitted nor required by law to be influenced by the advantage".

For the avoidance of doubt, reference to bribes include facilitation payments. The term "facilitation payments" (also called "grease" or "speed" payments) refers to payments that are requested by Foreign Public Officials to speed up a routine government action such as:

- Processing licences, permits, or other official documents;
- Processing government paperwork such as visas and work orders; and
- Providing services such as police protection and mail pick-up and delivery.

Where any request is received either directly or via an Associated Person on our behalf, to make a payment to a Foreign Public Official we must, before making or authorising such a payment, obtain:

- Written confirmation or other evidence that such a payment is lawfully and properly payable and is not just paid for the sake of expediency;
- Prior written consent of the Compliance Officer;
- If possible obtain an invoice before the payment is made; and
- Obtain immediately on payment an official receipt for the payment which states the purpose of the payment and refers to the particular situation in sufficient detail to be linked to the payment. Payments must not be made in cash.

Alsico demands its suppliers to disclose to us all payments they (and/or their affiliates, representatives, agents, sub-contractors, suppliers and employees) have

made, are obligated to make or intend to make to any agents, brokers, intermediaries or other third parties in connection with the awarding of any Orders.

If any Alsico employee, supplier or associated person would breach the relevant provisions of this Clause, or otherwise act in contravention of anti-corruption legislation or human rights law we shall have the right to terminate the agreements of collaboration and all or any orders without notice and with immediate effect.

### 4. NATURE AND SCALE

Alsico seeks to implement a policy, which is appropriate in nature and scale to the Company and in line with its status as defined by EU law, as an SME.

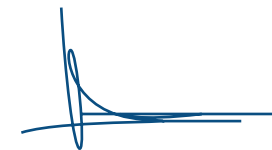
### 5. DUE DILIGENCE

Alsico is committed to following a continuous due diligence process and engaging with workers, their elected representatives and other stakeholders in order to detect and prioritize ethical, environmental and human rights in its supply chain.

### 6. CONTINUOUS IMPROVEMENT

Alsico commits to periodically reviewing this policy in order to continually improve, taking into consideration changes in legislation and regulation, any updates in line with best practice, any other requirements to which the Company subscribes and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.

Yours sincerely,



Vincent Siau  
Managing Director Alsico nv





**Alsico**

more than workwear

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