alsico group Sustainability Report 2023

Global steps taken to making life better for people at work

about this report

scope/ cycle/ with reference to GRI 2021

The information in this report covers the period from 1 January 2023 to 31 December 2023 compared to the 2022 (base-year) reporting.

The report has been prepared in accordance with selected GRI-standards. This edited version contains a summary of the material topics we have reported on (see page 8-10 'Materiality'). All data collection has been done through Worldfavor® platform software. The emission factors related to office and factory machinery (Scope 3) and Raw materials (Scope 3) where calculated by CO_2 Strategy.

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For more information about alsico group, including our approach to sustainability and our performance, please check **www.alsicogroup.com**.

content

1. a letter from
Vincent and Gauthier Siau

Dear stakeholder,

Vincent Siau is the Managing Director of alsico.

Gauthier Siau is the CEO of alsico group.

As we reflect on the past year, Alsico Group has undergone significant transformation, uniting our expertise under one cohesive entity committed to safeguarding our stakeholders and the planet.

Consolidating Alsico under a single brand promise yields numerous advantages. Firstly, it aligns our company values, fostering unity and productivity. Secondly, it cultivates a strong organizational culture, enhancing trust, accountability, and engagement. Thirdly, it lays the foundation for our "Alsico Life" strategy, prioritizing culture, well-being, support, and engagement to bolster employee satisfaction and productivity.

Moreover, a consistent brand identity and messaging framework elevate our reputation and loyalty, while ensuring global brand consistency fosters trust and credibility across markets.

By embracing these strategies, Alsico aims to fortify its brand presence and reputation worldwide. Our focus on sustainability remains paramount, as we strive to safeguard the environment and secure a sustainable future.

In the past year, we've made significant strides in improving our business practices, spanning product design, material sourcing, service delivery, and partnerships. Our goals are clear: achieving Net Zero emissions by reducing 90% of GHG emissions and offsetting the remainder, alongside ensuring living wages across all locations.

We uphold our environmental and social responsibilities through partnerships with organizations like the Science Based Targets initiative, &Wider, and BSCI Amfori. Innovations such as Alsico Performance Fabrics underscore our commitment to reducing emissions compared to conventional materials.

The Alsico Academy leads our industry towards a sustainable future, emphasizing collaboration and sustainability. Our enhanced data collection efforts ensure accuracy and transparency in reporting.

Looking ahead to 2024, we're intensifying our efforts on gender equality, expanding our garment take-back scheme, fostering partnerships to support viable impactful recycling solutions all under our ARX initiative [1] umbrella focussed on reducing negative impact and extending positive impact. Despite challenges, we remain dedicated to transparent, accountable, and sustainable growth.

Thank you for your unwavering support as we navigate this journey together.

Warmest regards,

Vincent

Gauthier

Our goals remain clear:

1. **Net Zero +**
   reducing 90% of our GHG-emissions, and offsetting the remaining 10%.
2. **Living Wage +**
   living wages in all alsico locations and close any found gaps between paid and living wage aligned with local stakeholders.

[1] for more information go to www.alsico.com/eu/arx-initiative

2. about alsico group

key figures of 2023

8.139
EMPLOYEES

82%
ARE FEMALE

14.629.655
HOURS WORKED

282M EURO
DIRECT ECONOMIC VALUE GENERATED

-5% CO_2e
COMPARED TO BASE YEAR

30 EURO
AVERAGE EXPENDITURE FOR TRAINING/EMPLOYEE

147
NET JOBS CREATED

7.636.353 kWh
TOTAL ELECTRICITY CONSUMPTION

112.339
TONNES CO_2e FULL SCOPE GHG EMISSIONS[2]

1 **1.094**
TON CO_2e SCOPE 1 GHG EMISSIONS

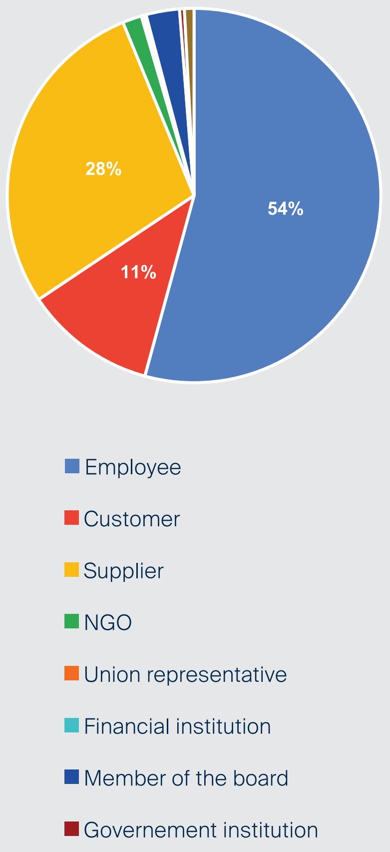
2 **2.470**
TON CO_2e SCOPE 2 GHG EMISSIONS

3 **108.775**
TON CO_2e SCOPE 3 GHG EMISSIONS

3. materiality and due diligence

Last year, we conducted a materiality assessment with our stakeholders. This year, we expanded this effort by asking all our units to conduct their own assessments with their stakeholders. We recognize that stakeholders in different countries often prioritize different issues, so this approach allows each unit to delve deeper into the themes that matter most to their stakeholders in their own reports. We have retained the same materiality topics as last year, and each unit sent out a survey to their stakeholders accordingly. Materiality assessment and due diligence are vital components of our commitment to transparency and accountability. These processes help us identify and prioritize the issues that matter most to our stakeholders and ensure that our business practices align with their expectations and societal needs.

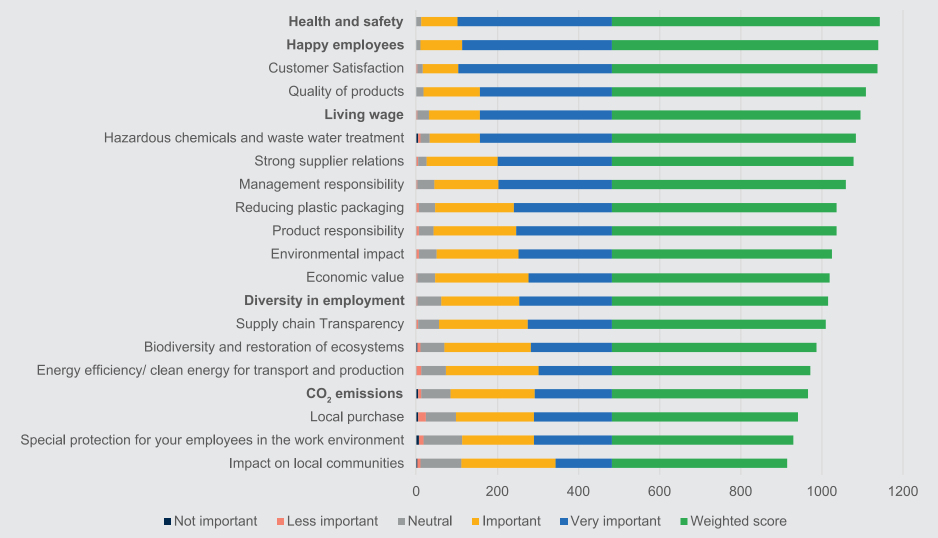
Which type of stakeholder are you?



483 responses, with 54% of responding stakeholders being employees, 28% suppliers, 11% customers, 3% members of the board, 2% NGO's, 1% industry federations and 1% union representatives, financial institutions and governement institutions.

These are the main material topics that have been identified:

Materiality 2023



When comparing these results to last year's, we can confirm that the overall focus of the entire group remains consistent.

As there has been no significant shift in focus, we collectively decided to maintain our emphasis on the same topics:

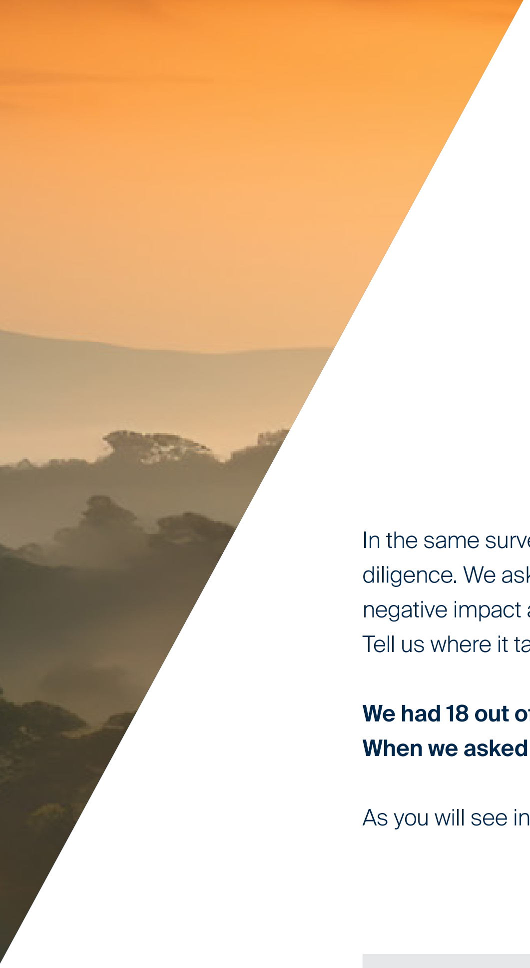
Healthy and safe working conditions
see page 31 'Health and safety'

Happy employees
see page 32 'Employment practices'

Living wage
see page 39 'Living wage'

Diversity and equal opportunities
see page 34 'Diversity and non-discrimination'

CO_2 emissions of the company
see page 17-29 'GHG-emissions report'

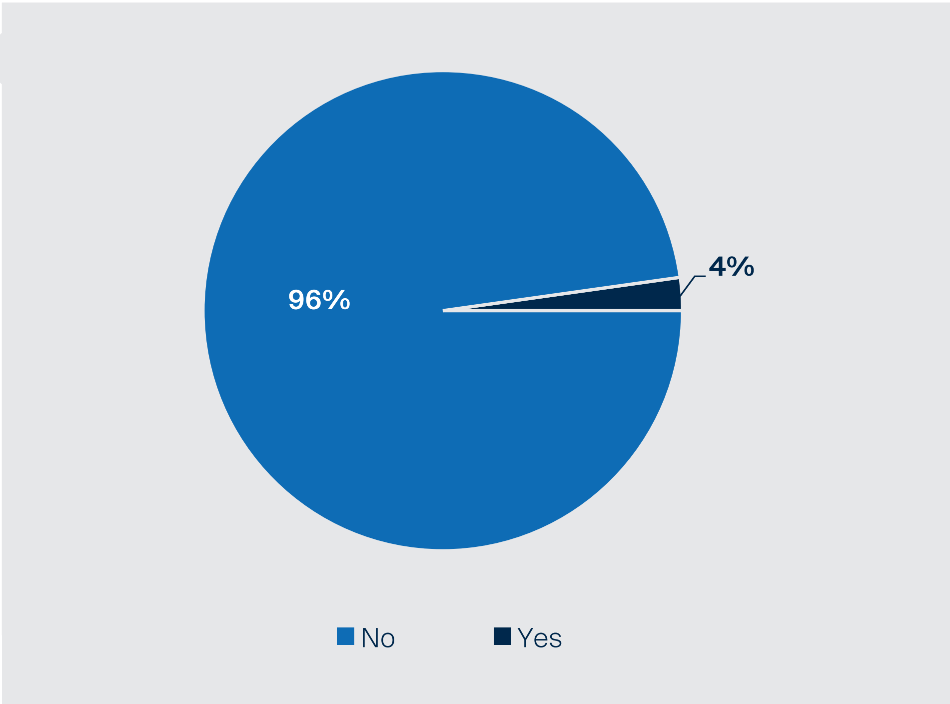


In the same survey we added a question to complete our human rights and environmental due diligence. We asked our stakeholders the following: 'As a stakeholder, have you experienced a negative impact as a result of alsico's activity?' and 'Describe the negative impact exactly. Tell us where it takes/has taken place and who was affected by it.' These were the results:

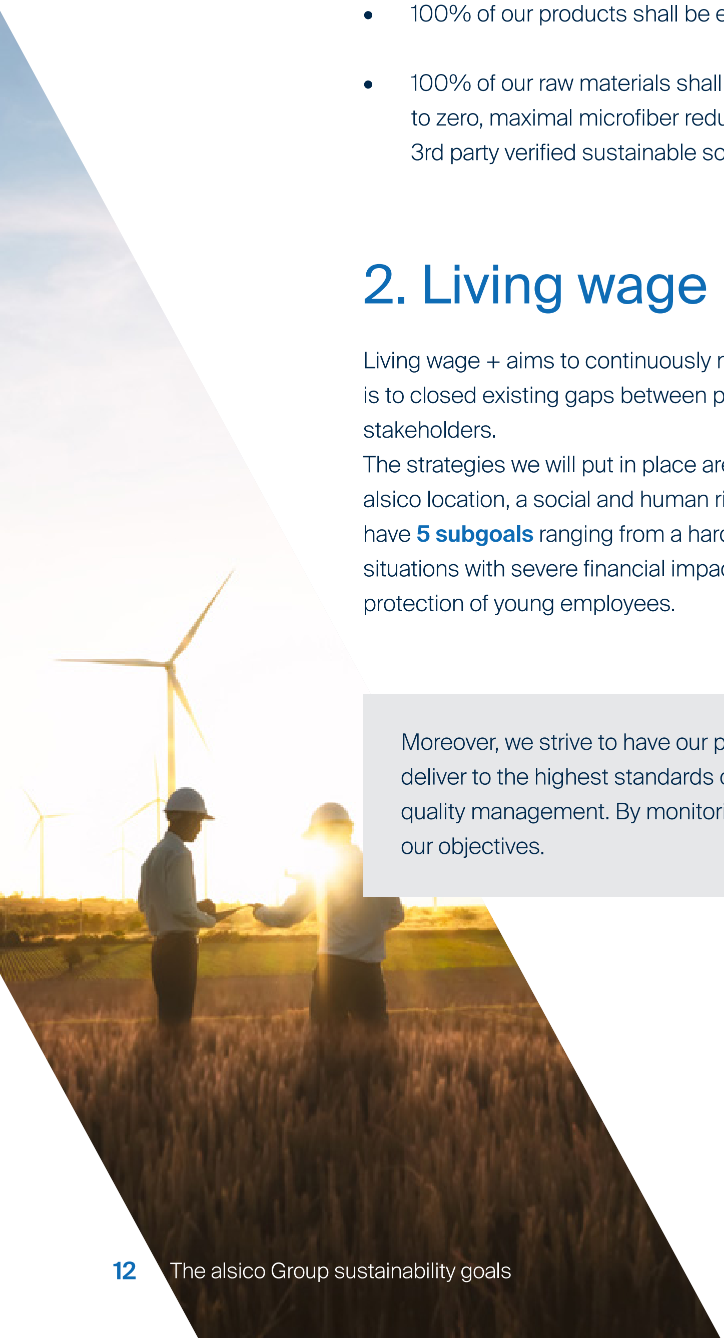
We had 18 out of 483 stakeholders indicating they experience negative impact. When we asked to specify, the top comment was regarding transportation.

As you will see in the report (6.1.6) we managed to lower the emissions.

As a stakeholder, have you experienced a negative impact as a result of alsico's activity?



4. the alsico group sustainability goals



Our company has two guiding sustainability goals that define our actions until 2040;

1. Net Zero +

Net zero +: has to lead to a reduction of 90% of CO_2e emissions compared to base year 2022. **Tools** we will put in place: a yearly GHG emissions accounting and report, a net zero plan verified by the science-based targets initiative, an environmental due diligence assessment tool on the whole supply chain. Two of the **7 SMART-subgoals** will be major drivers to reach net zero:

- 100% of our products shall be eco-designed aiming at maximum lifespan, repairability and recyclability
- 100% of our raw materials shall comply with our preferred inputs list* (compliant with the ZDHC roadmap to zero, maximal microfiber reduction, no fossil fuel-based fibers, recyclable fibers, cotton sourcing from 3rd party verified sustainable sourcing programs)

2. Living wage +

Living wage + aims to continuously monitor the living wage at all alsico locations. The purpose of this strategy is to closed existing gaps between paid and living wage in a timely manner and in agreement with local stakeholders.
The strategies we will put in place are: a Living Wage Calculator (based on the Anker methodology) for each alsico location, a social and human rights due diligence assessment tool on the whole supply chain. We have **5 subgoals** ranging from a hardship fund for our employees that allows them to weather unexpected situations with severe financial impact, to gender equality, including leadership programs and special protection of young employees.

Moreover, we strive to have our processes verified in the form, of external audits/assessments. We will deliver to the highest standards of health and safety, environmental impact, social responsibility and quality management. By monitoring this powerful improvement cycle we can ensure we will achieve our objectives.

Net Zero +

Reduce CO_2e emissions with 90% by 2040 (base year 2022) through:

- a yearly carbon footprint
- a net zero plan verified by the science-based targets initiative
- an environmental due diligence assessment tool on the whole supply chain

SUB GOALS

1. **100% of our products shall be eco-designed aiming at maximum lifespan, repairability and recyclability**
   target 12,5 of SDG 12 and target 13.2 of SDG 13
2. **100% of our raw materials shall comply with our preferred inputs list* (compliant with the ZDHC roadmap to zero, maximal microfiber reduction, no fossil fuel-based fibers, recyclable fibers, cotton sourcing from 3rd party verified sustainable sourcing programs)**
   targets 3.9 of SDG 6, target 12.2 and 12.7 of SDG 12 and target 14.1 of SDG 14
3. **100% of our suppliers complying with the ZDHC wastewater guidelines**
   target 6.3 of SDG 6, target 12.7 of SDG 12 and target 14.1 of SDG 14
4. **100% clean energy sources** in our scope 1 and 2 (clean energy sources are: wind, solar, tidal, and geothermal power as well as hydro, biomass and nuclear power depending on the definition of clean energy)**
   target 7.2 and 7.3 of SDG 7
5. **100% recycled packaging + reducing plastic packaging to a level where using plastic has lower footprint then using no plastic**
   target 14.1 of SDG 14
6. **100% take back of our used garments at local collecting hubs**
   targets 12.5 of SDG 12
7. **Partner with local organizations on expanding biodiversity in alsico locations**
   targets 15.1 to 15.6 of SDG 15

1

Living wage

Monitoring living wage at all alsico locations, closing existing gaps in due time through:

- a Living Wage Calculator (based on the Anker methodology) for each alsico location
- a social and human rights due diligence assessment tool on the whole supply chain

SUB-GOALS

1. **Install processes to close detected living wage gaps**
   target 1.5 of SDG 1, target 3.9 of SDG 3, target 8.5 of SDG 8 and target 10.2 of SDG 10
2. **Give all our workers access to a hardship fund that allows them to weather unexpected situations with severe financial impact**
   target 1.5 of SDG 1
3. **Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making**
   target 5.5 of SDG 5
4. **Special protection for young employees in the work environment**
   target 5.1 and 5.2 of SDG 5 and target 8.5 of SDG 8
5. **Ensure that children of our workers have access to quality early childhood development, care and pre-primary education**
   target 4.2 of SDG 4

2

As of today we are working towards the following Sustainable Development Goals:

5. actions taken in 2023

	Done in 2023	Goal 2024
GHG-emissions report	We enroled with SBTi and specified our goals	To have clear targets set and report on them.
Decarbonizing Raw materials	Expansion of fabrics powered by ALSIFLEX®	Increase the sales of ALSIFLEX® fabrics
Oeko-Tex STeP	**Certified units:** alsico Morocco (Rabat) and alsico Tunisia **Ready for audit:** alsico Madagascar, alsico Morocco (Marrakesh) and alsico Mexico	All production units are Oeko-Tex STeP certified
Living Wage	Evaluating the effects the taken actions had to improve the living wage of our employees in Madagascar and Laos	Living wage calculators in Morocco and Tunisia

6. sustainability kpi's

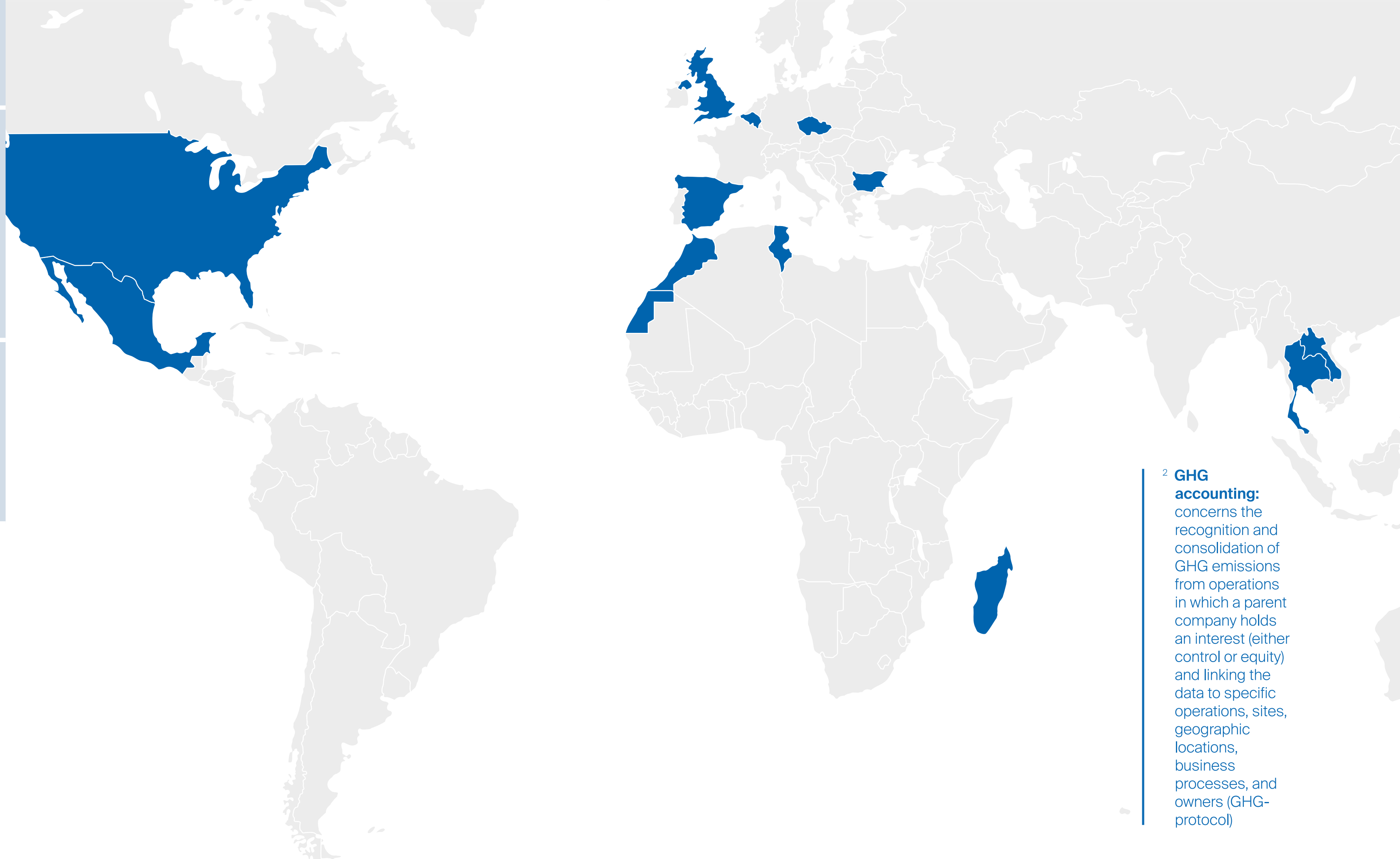
6.1. GHG-emissions report

6.1.1. Description of the company and inventory boundary

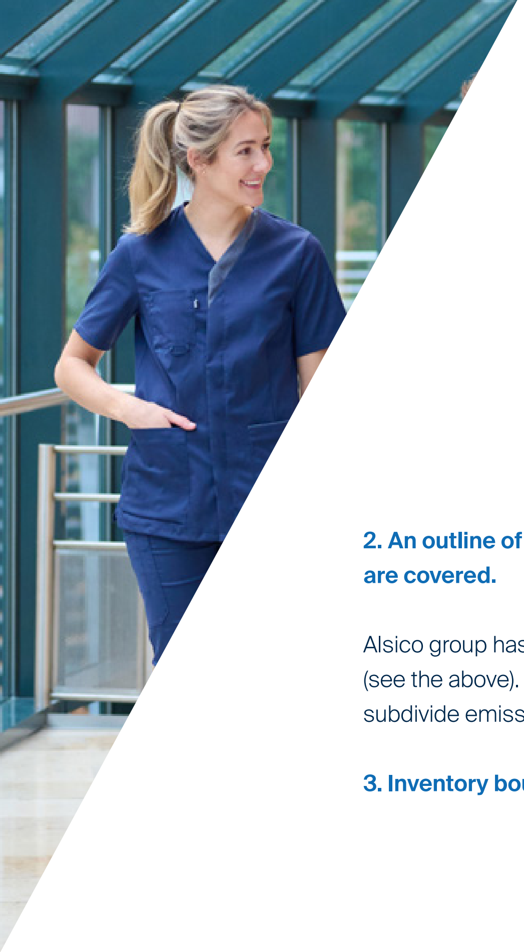
1. An outline of the organizational boundaries chosen, including the chosen consolidation approach.

The company hereby presenting the results of its GHG-accounting[2] is alsico group, owner of the following 17 units. Alsico group chooses the control approach for consolidating GHG data at the corporate level, meaning we taken into account the full 100% of GHG of the units that alsico group financially and operationally controls.

17 units: alsico NV (Belgium), alsico Hightech (Belgium), alsico UK (UK), alsico Logistics (Belgium), alsico CZ (Czech Republic), alsico Iberia (Spain), alsico MOR - Rabat (Morocco), alsico HITEC (USA), alsico USA (USA), alsico Laos (Laos), alsico Thailand (Thailand), alsico TN - Monastir (Tunisia), alsico TN - Sahline (Tunisia), alsico MOR - Marrakesh (Morroco), alsico MADA (Madagascar), alsico BUL (Bulgaria), alsico MEX (Mexico).



[2] **GHG accounting:** concerns the recognition and consolidation of GHG emissions from operations in which a parent company holds an interest (either control or equity) and linking the data to specific operations, sites, geographic locations, business processes, and owners (GHG-protocol)

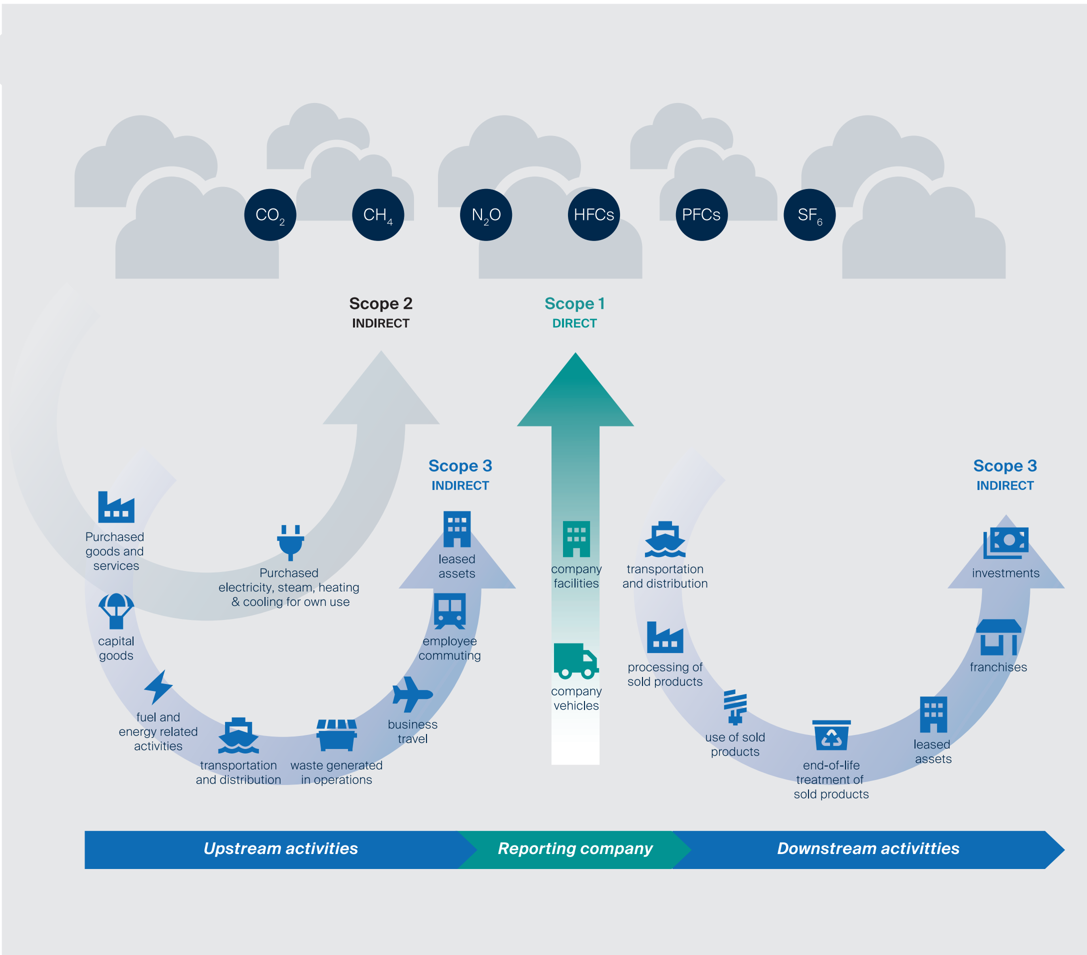


2. An outline of the operational boundaries chosen, specifying which types of activities are covered.

Alsico group has set the operational boundaries at scope 1, 2 and 3 of the units that are under its control (see the above). The company will account for and report emissions from scope 1, 2 and 3 separately. We will subdivide emissions data within scopes where this aids transparency or facilitates comparability over time.

3. Inventory boundaries (see annex page 54-55)

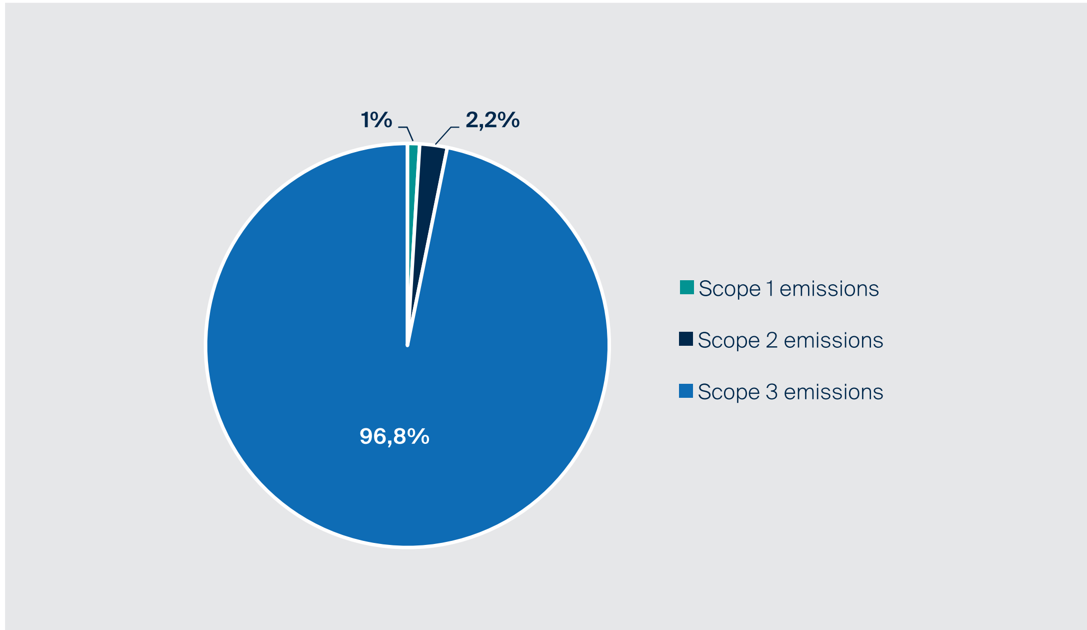
Overview of GHG Protocol scopes and emissions across the value chain.



6.1.2 Recalculation policy (see annex page 56)

6.1.3. Alsico group 2023 GHG emissions overview

alsico group	2022	share	2023	share
Total scope emissions	**118.220 tCO_2e**	**100%**	**112.339 tCO_2e**	**100%**
Scope 1 emissions	725 tCO_2e	0,6%	1.094 tCO_2e	1%
Scope 2 emissions	3.708 tCO_2e	3,1%	2.470tCO_2e	2,2%
Scope 3 emissions	113.787 tCO_2e	96,3%	108.775 tCO_2e	96,8%



alsico group Global Emissions

Alsico group measured its Greenhouse Gas (GHG) emissions according to the GHG-protocol (see 6.1.1. and 6.1.2.). An overall view of the results learns our GHG-emissions are almost coinciding with scope 3 emissions. It point out the nature of our business, which has a low energy intensity in manufacturing, but relies heavily on raw materials that have extensive and high emitting supply chains.

So if alsico group has emitted a total of 112.339 tonnes of CO_2e over 2023, what does that mean?[3]

[3] **Source:** The Climate Neutral Group, retrieved from https://www.climateneutral-group.com/en/news/what-exactly-is-1-tonne-of-co2/ on April 25th 2023.

1 kg CO_2 =

7 km
by bus

50 g
beef

1x
drying laundry

12 min
showering

100 g
cheese

10
tullips

112.339 tonnes of CO_2 =

112.339

cars (gasoline) driving from Stockholm to Rome and back

(average km's per year with passenger car, gasoline: 9,994 km, source CBS, Dutch National Statistics).

379.524

economy flights Brussels – Rome

(average CO_2 emissions per flight: 0,296 tonnes, source myclimate.org).

112.339

electric cars (grey electricity) driving for one year

(averaged km's per year with passenger car: 11,198 km (general average, E car average unknown, CBS, Dutch National Statistics)

78.638

total electricity consumption (grey electricity) of 284.501 households in one year

(average consumption HH: 2944 kWh, source VREG).

CAPTURING 112.339 TONNES OF CO_2 EMISSION MEANS THAT...

5.612.113

TREES MUST GROW FOR ONE YEAR.

6.1.4 GRI 305-1 Direct (Scope 1) GHG emissions

a. Gross direct (Scope 1) GHG emissions in metric tonnes of CO_2 equivalent:

alsico group	2022	share	2023	share
Full scope emissions	118.220 tCO_2e	100%	112.339 tCO_2e	100%
Scope 1 emissions	725 tCO_2e	0,6%	1.094 tCO_2e	1%

alsico group	2022	Share of scope 1 emissions	2023	Share of scope 1 emissions
Scope 1 emissions	725 tCO_2e	100%	1.094 tCO_2e	100%
Scope 1 emissions - **company cars**	405 tCO_2e	55%	546 tCO_2e	48%
Scope 1 emissions - **direct energy**	262 tCO_2e	36%	453 tCO_2e	42%
Scope 1 emissions - **refrigerants**	58 tCO_2e	9%	95 tCO_2e	10%

alsico group	2022	Share of company car emissions	2023	Share of company car emissions
Scope 1 emissions	725 tCO_2e	100%	1.094 tCO_2e	100%
Scope 1 emissions - company cars	405 tCO_2e	100%	546 tCO_2e	100%
• Scope 1 emissions – **diesel cars**	350 tCO_2e	86%	373 tCO_2e	68%
• Scope 1 emissions – **petrol cars**	55 tCO_2e	14%	170 tCO_2e	31%
• Scope 1 emissions – **hybrid cars**	0 tCO_2e	0%	3 tCO_2e	1%

alsico group	2022	Share of direct energy emissions	2023	Share of direct energy emissions
Scope 1 emissions	**725 tCO_2e**	**100%**	**1.094 tCO_2e**	**100%**
Scope 1 emissions - direct energy	262 tCO_2e	100%	453 tCO_2e	100%
• Scope 1 emissions - **diesel**	98 tCO_2e	40%	255 tCO_2e	56%
• Scope 1 emissions – **natural gas**	89 tCO_2e	37%	105 tCO_2e	23%
• Scope 1 emissions – **petrol**	20 tCO_2e	9%	82 tCO_2e	18%
• Scope 1 emissions – **LPG/propane**	39 tCO_2e	8%	7 tCO_2e	2%
• Scope 1 emissions – **heating oil**	16 tCO_2e	6%	4 tCO_2e	1%

A view on the Group's scope 1 emissions – direct emissions – reveals that the majority stem from company cars (48%) and direct energy for heating purposes (42%). Despite the acquisition of more hybrid cars (1%), their impact is low in comparison to traditional fuel vehicles like diesel (68%). However, our commitment remains steadfast in transitioning from fossil-fueled to zero-emission cars, with a plan initiated in 2023 following the assessment of the 2022 report. As we progress into 2024, we anticipate a shift in our vehicles emissions. Additionally, for indirect energy related to heating purposes, we are exploring zero or low-emission heating systems to further reduce our environmental footprint.

b. Gases included in the calculation; the CO_2e used in this calculation comprises CO_2 , CH4, N2O, HFCs, PFCs, SF6 and NF3.

GHG emissions	CO_2		CH4		N2O		HFCs		PFCs		SF6	
	Metric tonnes CO_2	Metric tonnes CO_2e	Metric tonnes CH4	Metric tonnes CO_2e	Metric tonnes N2O	Metric tonnes CO_2e	Metric tonnes of each HFC	Metric tonnes CO_2e	Metric tonnes of each PFC	Metric tonnes CO_2e	Metric tonnes SF6	Metric tonnes CO_2e
Scope	954	954	0,03	0,8	0,03	7,7	0	0	0	0	0	0

c. Biogenic CO_2 emissions in metric tonnes of CO c. 2 equivalent: no direct CO_2 emissions reported from the combustion of biomass and biofuels, as well as CO_2 removals associated with bioenergy feedstock

d. Base year for the calculation: 2022

- Full scope emissions in the base year; 118.220 tCO_2e
- The context for any significant changes in emissions that triggered recalculations of base year emissions: There is a slight increase in our scope 1 emissions reporting for 2022 as we made corrections and included a missing unit.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source: emission factors used are the revised GHG reporting Conversion Factors of the UK Government (DEFRA) for 2022: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022

f. Consolidation approach for emissions: operational control (see 6.1.1. inventory boundary)

g. Standards, methodologies, assumptions, and/or calculation tools used: alsico group is reporting according to the GHG-protocol (see 6.1.1. and 6.1.2 for inventory boundary) and has collaborated with Worldfavor for data collection and emission calculations.

6.1.5 GRI 305-2 Energy indirect (Scope 2) GHG emissions

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tonnes of CO_2 equivalent.

alsico group	2022	Share of full scope emissions	2023	Share of full scope emissions
Full scope emissions	**118.220 tCO_2e**	**100%**	**112.339 tCO_2e**	**100%**
Scope 2 emissions	**3.708 tCO_2e**	**3%**	**2.470 tCO_2e**	**2%**

alsico group	2022	Share electricity consumption	2023	Share electricity consumption
Total Electricity consumption	**7.259.571 kWh**	**100%**	**7.105.084 kWh**	**100%**
Purchased regular **grid electricity**	6.751.359 kWh	93%	6.585.813 kWh	92,7%
Purchased certified **renewable electricity**	508.212 kWh	7%	519.271 kWh	7,3%

A view on the group's scope 2 emissions – indirect emissions from purchasing electricity – reveals that they predominantly originate from purchasing regular grid electricity. Overall we bought less electricity in 2023. But more renewable electricity was generated through our own solar panels.

In 2022, our own solar panels (scope 1 emissions) generated 262.581 kWh, a figure that doubled to 531.269 kWh in 2023. Although our electricity consumption increased (scope 1 & 2) we managed to decrease our electricity scope 2 emissions through our solar panels.

Looking ahead, we plan to further expand the proportion of certified renewable electricity in our energy mix, and integrating even more electricity generated by our own solar panels.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tonnes of CO_2 equivalent: not applicable, since we adapted location based emission calculations for our globally dispersed reporting units.

c. If available, the gases included in the calculation: the CO_2e used in this calculation comprises CO_2 , CH4 , N2O, HFCs, PFCs, SF6 and NF3.

d. Base year for the calculation: 2022

- Full scope emissions in the base year; 118.220 tCO_2e
- The context for any significant changes in emissions that triggered recalculations of base year emissions: There is an uptake in our scope 2, base year reporting. Two of our units reported less electricity consumption and we made corrections and included a missing unit.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source: for location based emission factors we used the following sources: https://www.aib-net.org/facts/european-residual-mix and https://www.iges.or.jp/en/pub/list-grid-emission-factor/en

f. Consolidation approach for emissions: operational control (see 6.1.1. inventory boundary)

g. Standards, methodologies, assumptions, and/or calculation tools used: alsico group is reporting according to the GHG-protocol (see 6.1.1. and 6.1.2 for inventory boundary) and has collaborated with Worldfavor for data collection and emission calculations.

6.1.6 GRI 305-3 Other indirect (Scope 3) GHG emissions

a. Gross other indirect (Scope 3) GHG emissions in metric tonnes of CO_2 equivalent.

alsico group	2022	Share of full scope emissions	2023	Share of full scope emissions
Full scope emissions	**118.220 tCO_2e**	**100%**	**112.339 tCO_2e**	**100%**
Scope 3 emissions	**113.787 tCO_2e**	**96%**	**108.775 tCO_2e**	**97%**

alsico group	2022	Share of scope 3 emissions	2023	Share of scope 3 emissions
Scope 3 emissions	**113.787 tCO_2e**	**100%**	**108.775 tCO_2e**	**100%**
Scope 3 emissions – **raw materials**	105.813 tCO_2e	93%	98.938 tCO_2e	91%
Scope 3 emissions – **upstream transport and distribution**	3.692* tCO_2e	3%	4.640 tCO_2e	4%
Scope 3 emissions – **downstream transport and distribution**	1.504* tCO_2e	1%	1.696 tCO_2e	2%
Scope 3 emissions – **business travel**	1.581 CO_2e	1%	2.148 CO_2e	2%
Scope 3 emissions – **office and factory machinery**	363 tCO_2e	0,3%	384 tCO_2e	0,4%
Scope 3 emissions – **indirect energy**	330 tCO_2e	0,3%	287 tCO_2e	0,3%
Scope 3 emissions – **office material**	193 tCO_2e	0,2%	205 tCO_2e	0,2%
Scope 3 emissions – **well-to-tank-emissions from company cars (scope 1)**	100 tCO_2e	0,1%	139 tCO_2e	0,1%
Scope 3 emissions – **well-to-tank-emissions from consumed direct energy (scope 1)**	55 tCO_2e	0,05%	102 tCO_2e	0,09%
Scope 3 emissions – **waste**	34 tCO_2e	0,03%	41 tCO_2e	0,04%

* 3 of our units have corrected their 2022 reporting for upstream and downstream transport and distribution. They have updated their calculation method.

alsico group	2022	Share of raw material emissions	2023	Share of raw material emissions
Scope 3 emissions	**113.787 tCO_2e**	**100%**	**108.775 tCO_2e**	**100%**
Scope 3 emissions – **raw materials**	105.813 tCO_2e	100%	98.938 tCO_2e	100%
• Scope 3 emissions - **polyester**	70.261 tCO_2e	66%	62.988 tCO_2e	64%
• Scope 3 emissions - **cotton**	15.832 tCO_2e	15%	16.789 tCO_2e	17%
• Scope 3 emissions - **modacrylic**	6.677 tCO_2e	6%	7.170 tCO_2e	7%
• Scope 3 emissions – **finished garments bought**	6.628 tCO_2e	6%	4.660 tCO_2e	5%
• Scope 3 emissions – **polyester thread**	1.289 tCO_2e	1%	1.607 tCO_2e	2%
• Scope 3 emissions – **recycled polyester**	768 tCO_2e	1%	756 tCO_2e	1%
• Scope 3 emissions - **aramides**	1.688 tCO_2e	2%	1.216 tCO_2e	1%
• Scope 3 emissions - **polyamide**	789 tCO_2e	1%	803 tCO_2e	1%
• Scope 3 emissions – **elastane**	117 tCO_2e	0,1%	805 tCO_2e	1%
• Scope 3 emissions – **acrylic polymere**	276 tCO_2e	0,3%	502 tCO_2e	1%
• Scope 3 emissions - **carbon**	383 tCO_2e	0,4%	346 tCO_2e	0,3%
• Scope 3 emissions – **plastic buttons**	223 tCO_2e	0,2%	272 tCO_2e	0,3%
• Scope 3 emissions - **inox**	262 tCO_2e	0,2%	264 tCO_2e	0,3%
• Scope 3 emissions – **rubber/latex**	244 tCO_2e	0,2%	227 tCO_2e	0,2%
• Scope 3 emissions – **viscose**	121 tCO_2e	0,1%	172 tCO_2e	0,2%
• Scope 3 emissions – **biobased polyester**	54 tCO_2e	0,1%	54 tCO_2e	0,1%
• Scope 3 emissions – **polyethuraan**	191 tCO_2e	0,2%	109 tCO_2e	0,1%
• Scope 3 emissions – **wool**	30 tCO_2e	0,03%	46 tCO_2e	0,05%
• Scope 3 emissions – **organic cotton**	16 tCO_2e	0,02%	23 tCO_2e	0,02%
• Scope 3 emissions – **lyocell**	16 tCO_2e	0,02%	23 tCO_2e	0,02%
• Scope 3 emissions – **plastic zippers**	6 tCO_2e	0,01%	3 tCO_2e	0,003%

A view on the group's Scope 3 emissions – other indirect emissions – reveals that they mainly come from raw materials (91%). As observed in the figures, there has not been any significant increase in our use of more sustainable materials despite our many efforts and investments in developing our own sustainable fabrics. Therefore, a strategy will be developed to further promote these sustainable raw materials to our customers, as they ultimately decide on the materials and fabrics used.

In 2024, we are committed to refining our approach by granulating the data on finished garments of 2022 and categorizing them by material, particularly for Alsico products.

b. **If available, the gases included in the calculation:** the CO_2e used in this calculation comprises CO_2, CH4, N2O, HFCs, PFCs, SF6 and NF3.

c. **Biogenic CO_2 emissions in metric tonnes of CO_2 equivalent:** no indirect CO_2 emissions reported from the combustion of biomass and biofuels, as well as CO_2 removals associated with bioenergy feedstock.

d. **Other indirect (Scope 3) GHG emissions categories and activities included in the calculation** (see 6.1.1. Inventory boundary)

e. **Base year for the calculation: 2022**

- full scope emissions in the base year; 118.220 tCO_2e
- the context for any significant changes in emissions that triggered recalculations of base year emissions: The following changes to the emission factors where made by WorldFavor for: Paper - Scope 3 (Purchased goods & services - Paper and board) $kgCO_2e$/tonnes → From 0,9194 to 919,39628, Other IT equipment - Scope 3 (Purchased goods & services - IT equipment) $kgCO_2e$/kg → From 24,87 to 24,86548, Screens/monitors - Scope 3 (Purchased goods & services - IT equipment) $kgCO_2e$/numbers → From 24,87 to 233, iPhone/smartphone - Scope 3 (Purchased goods & services - IT equipment) $kgCO_2e$/numbers → From 72,14 to 72,14285714, Delivery vans - Scope 3 (Transport and distribution - Truck freight) $kgCO_2e$/tonne.km → From 0,10749 to 0,10614, Water treatment - Scope 3 (N/A - Water) kgCO2e/cubic metres → From 0,00000 to 0,272, Water supply - Scope 3 (N/A - Water) $kgCO_2e$/cubic metres → From 0,00000 to 0,149, Upstream Cargo ship - Scope 3 (Transport and distribution - Sea freight) $kgCO_2e$/tonne.km → From 0,01323 to 0,013232, Downstream Cargo ship - Scope 3 (Transport and distribution - Sea freight) $kgCO_2e$/tonne.km → From 0,01323 to 0,013232,
  Adding to this, 3 of our units have made some corrections to their 2022 upstream and downstream reporting. Further general corrections have been made as certain unit's reported more material then they should have, which led to double accounting.

e. **Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source:** emission factors used are the revised GHG reporting Conversion Factors of the UK Government (DEFRA) for 2022: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022 as well as ADEME for fiber specific emission factors used to calculate raw material emissions.

f. **Consolidation approach for emissions:** operational control (see 6.1.1. inventory boundary)

g. **standards, methodologies, assumptions, and/or calculation tools used:** alsico group is reporting according to the GHG-protocol (see 6.1.1. and 6.1.2 for inventory boundary) and has collaborated with Worldfavor for data collection and emission calculations.

6.1.7 Conclusion

Comparing our 2022 top contributors and those of 2023, it is no suprise that they generally stay the same.

Comparing our 2022 top contributors and those of 2023, it can be observed that they generally stay the same. We continue on our path to develop more sustainable alsico fabrics and ultimately generate more positive impacts. We also continue to invest in more energy efficient factory buildings and more use of renewable energy.

alsico group	2022	share
Full scope emissions	**118.220 tCO_2e**	**100%**
1. Polyester (fiber in fabric purchases)	70.261 tCO_2e	59%
2. Cotton (fiber in fabric purchases)	15.832 tCO_2e	13%
3. Modacrylic (fiber in fabric purchases)	14.068 tCO_2e	5%
4. Finished garments (bought)	6.628 tCO_2e	6%
5. Electricity (scope 2)	3.708 tCO_2e	3%
6. Upstream transportation & distribution	3.692 tCO_2e	3%
Total top 6 emissions sources	**106.798 tCOe**	**90%**

alsico group	2023	share
Full scope emissions	**112.339 tCO_2e**	**100%**
1. Polyester (fiber in fabric purchases)	62.988 tCO_2e	56%
2. Cotton (fiber in fabric purchases)	16.789 tCO_2e	15%
3. Modacrylic (fiber in fabric purchases)	7.170 tCO_2e	6%
4. Finished garments (bought)	7.660 tCO_2e	4%
5. Electricity (scope 2)	4.640 tCO_2e	4%
6. Upstream transportation & distribution	2.469 tCO_2e	3%
Total top 6 emissions sources	**98.716 tCOe**	**88%**

6.2. GRI 301: Materials

		2022	2023
	GRI 301-1 | Materials used by weight		
	Total (kg)	**6.335.972 kg**	**6.114.482 kg**
	Renewable materials bought (kg)	**1.721.074 kg**	**1.851.988 kg**
	Non-renewable materials bought (kg)	**4.369.431 kg**	**4.089.889 kg**
	Finished garments bought (kg)	**245.467 kg**	**172.605 kg**

	GRI 301-2 | Recycled input materials used		
	Recycled input materials used (%)	**1,56%**	**1,59%**
	Recycled materials (kg)	**98.984 kg**	**97.484 kg**

6.3. GRI 306: Waste

	306-2	**Total weight of hazardous waste:**	**0 kg**
		Total weight of non-hazardous waste:	**1.909.000 kg**
		• Reuse	**845 kg**
		• Sent to recyling	**794.000 kg**
		• Sent for energy	**1.114.155 kg**

6.4. GRI 403: Occupational health and safety

			2022	2023
	403-8	Workers covered by an occupational health and safety management system	**89%**	**91%**
	403-9	**Work-related injuries:**		
		• Fatalities	**0**	**0**
		• Work-related injuries	**116**	**191**
		• Rate of work related injuries:	**1,8***	**2,6***
		• Numbers of hours worked	**12.746.019 h**	**14.629.655 h**
		• Total number of high-consequence work-related injuries (excluding fatalities):	**6**	**13**
		• Rate of high consequence work-related injuries:	**0,1****	**0,2****
	403-10	**Work-related ill health:**		
		• Total number of fatalities as a result of work-related ill-heath:	**0**	**0**
		• Number of cases of work-related ill health:	**22**	**7**

* (calculation = number of work related injuries/number of hours worked X 200.000)
** (calculation = number of high consequence work-related injuries/number of hours worked X 200.000)

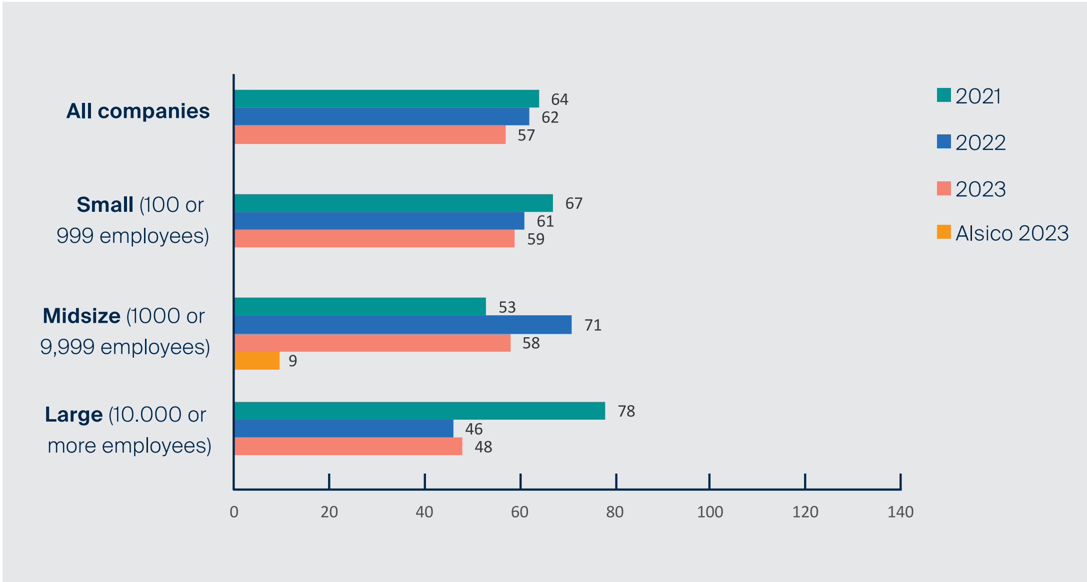
6.5. GRI 401: Employment

			2022	2023
		New employee hires and employee turnover:		
	401-1	• Employees hired:	2.116	2.147
		• Number of female employee hires:	1.726	1.674
		• Percentage of employee hires that are female:	82%	78%
		• Percentage of employee hires <30 years:	58%	63%
		• Percentage of employee hires 30-50 years:	57,5%	40%
		• Percentage of employee hires >50 years:	10%	4%
		Employees leaving:		
	401-1	• Total number of employees leaving:	1.444	2.000
		• Number of female employees leaving:	1.087	1.356
		• Percentage of employees leaving that are female:	75%	68%
		• Percentage of employees leaving <30 years:	47%	34%
		• Percentage of employees leaving 30-50 years:	43%	59%
		• Percentage of employees leaving >50 years:	6%	11%
	401-1	**Employee turnover rate:**	18%	25%

Based on these numbers we can conclude alsico has been a net job creator, adding 147 people to its staff.

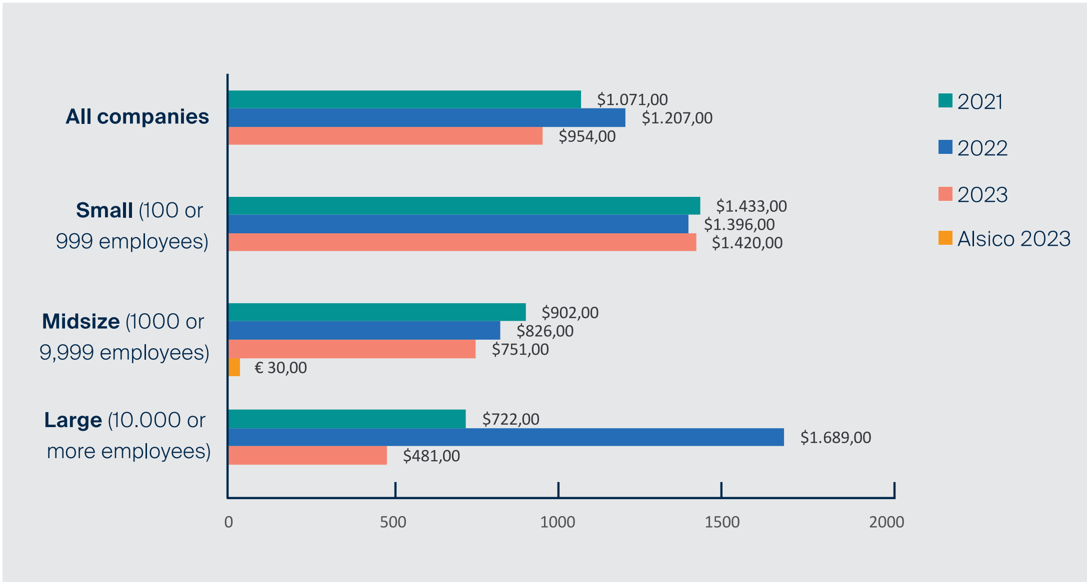
		Parental leave		
	401-3	• Number of employees that were entitled to parental leave:	1.638 FTEs	674 FTEs
		• Percentage of employees that were entitles to parental leave:	26%	8%
		Average hours of training per year per employee:		
	404-1	• Average hours of training per year per employee:	7h/ employee	9h/ employee
		• Average training and development expenditure per full-time employee:	27 EUR	30 EUR
		Programs for upgrading employee skills and transition assistance programs		
	404-2	• Total number of employees who received a regular performance and career development review	565	690
		• Percentage of employees who received a regular performance and career development review:	7%	8%

Compared to our peers:



Hours of training per employee 2021-2023

source: https://learnexperts.ai/



Training Expenditures per learner 2020-2023

source: https://learnexperts.ai/

6.6. GRI 405: Diversity and non-discrimination

Disclosure 3-3 in GRI 3: How alsico group manages diversity and non-discrimination
(see our diversity and non-discrimination policy in the Code of Conduct, page 44-51)

			2022	2023
	405-1	**Diversity of governance bodies and employees:**		
		Members of the board:	12	12
		• Percentage of female members of the board:	8%	8%
		• Percentage of <30y members of the board:	0%	0%
		• Percentage of <30-50y members of the board:	50%	50%
		• Percentage of >50y members of the board:	50%	50%
		Total number of employees:	8.364	8.139
		• Percentage of female employees:	79%	82%
		• Percentage of employees <30 years:	23%	28%
		• Percentage of employees 30-50 years:	48,5%	59%
		• Percentage of employees >50 years:	12%	12%

Numbers show that the share of female employees increases. Idealy you have an equal and fair representation of people of all genders. There is however a need to improve the number of female members of the board.

			2022	2023
	406-1	**Incidents of discrimination and corrective actions taken**	0	0

No incidents have been reported. We are aware that this is not a credible number. It is a sign we have to dig deeper, since discrimination is a topic to be watched continuously. That is why we have set up collaboration with the &Wider communication platform for preventive surveying of working conditions (see page 40).

6.7. GRI 205: Anti-corruption

Disclosure 3-3 in GRI 3, 2021
(see our Code of Conduct on page 46-47 for our anti-corruption policy)

			2022	2023
	205-1	**a. Total number and percentage of operations assessed for risks related to corruption.**		
		• Number of operations assessed for risks related to corruption:	36	39
		• Percentage of operations assessed for risks related to corruption:	25%	30%
		• Number of suppliers assessed for risks related to corruption:	157	189
		• Percentage of suppliers assessed for risks related to corruption:	11%	10%
		b. Significant risks related to corruption identified through the risk assessment.		

The number of operations (30%) and suppliers (10%) that are systematically assessed for corruption risks is fairly low. Which constitutes as such a risk. A number of suppliers is located in countries that are ranking high on the corruption index[4] , such as Pakistan (140/180) and Bangladesh (147/180). Also important operations are located in medium to high-risk countries such as Tunisia (87/180), Morocco (94/180), Thailand (101/180), Laos (126/180), Mexico (126/180) and Madagascar (142/180).

			2022	2023
	205-2	**Communication and training about anti-corruption policies and procedures**		
		a. Communication		
		• Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to:	68%	92%
		• Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to:	21%	30%
		• Percentage of suppliers that the organization's anti-corruption policies and procedures have been communicated to:	15%	15%
		• Percentage of suppliers assessed for risks related to corruption:	11%	10%
		b. Training		
		• Percentage of governance body members that have received training on anti-corruption:	33%	33%
		• Percentage of employees that have received training on anti-corruption:	4%	10,5%

It is fair to say that all workers that sign a contract with alsico group at the start of their employment get the 'Labor policy' as a mandatory read. In the document the anti-corruption policies are clearly stated. In addition some units have started to organize extra communications on anti-corruption. The same applies to 'training on anti-corruption'. That explains the – fairly low – numbers in these disclosures.

			2022	2023
	205-3	**Confirmed incidents of corruption and actions taken**		
		• Total number of confirmed incidents of corruption:	2	0
		• Number of public legal cases regarding corruption brought against the organization or its employees:	0	0

[4] www.transparency.org/en/cpi/2022

7. actions taken in 2023

7.1. alsico performance fabrics

Our emissions data clearly shows that the majority of our emissions stem from our raw materials, particularly polyester. In the workwear industry, polyester is widely used for its technical advantages such as colourfastness and durability. However, we recognize the need to explore alternative lower footprint materials with equivalent or higher technical performances whilst actively reducing our emissions.

In 2022, we proudly introduced our Alsico Performance Fabric, the Monviso 265 gram, only available in navy. Our goal was to develop a fabric that not only offers comfort and stretch but also is in line with our Net Zero + goal.

Fast forward one year, and we are thrilled to announce the expansion of our Alsico Performance Fabric line. Now offering a diverse range of options, including the Monviso in varying weights of 135 grams, 150 grams, 210 grams, and 265 grams, along with the Makalu at 250 grams. What's more, these fabrics are now offered in a vibrant array of colours, showing that sustainability can indeed be vibrant and enjoyable.

By providing these options, all of which can be industrially laundered, we anticipate reducing our emissions by one-third. While this transition may take some time, we are motivated by the positive feedback from our clients, affirming our commitment to innovation and sustainability.

7.2. Living wage monitor

Alsico group has chosen **'Living Wage +'** (see page 14) as its second major goal towards 2040. Health and safety of our workers, gender equality and guaranteeing their wellbeing (happy employees) are major material topics (see, page 9). With over 8.000 employees of which 82% (2023) are women, mostly employed in production facilities, the company has the responsibility – and the possibility – to have a positive impact on the lives of workers in countries as different as Laos, Madagascar, Tunisia or Mexico. We choose to do so, but in a monitored and step-by-step approach. The concept of living wage offers such a path.

Living wage is a measure of the income that is needed to a worker to have adequate living standards in a given society. It is always specific to a particular economy and time. It is a wage relative to the other wages present in that economy. The wage is calculated by listing all things people should be able to afford in an area and time not to be considered poor (compared to local, not global poverty thresholds). In most countries a living wage lies far above the legal minimum wage. That is why we need to have the instruments in place to check possible gaps between the paid wage and the local living wage. We recur to the Anker-methodology to calculate the local living wage, then comparing it to the actual paid wage.

What is a living wage?

This year we monitored the impact these changes had on our workers in Madagascar before we add Morocco and Tunisia (2024). Lets look at our units numbers:

Madagascar

With the cost of living rising with 10,5 % in one year we also revised our wages while working on closing the gap between living wage and paid wages for the better. Resulting in the following results, comparing 2022 with 2023.

- When it comes to comparing paid and local living wage, we see that the paid wage exceeds the living wage with 22% 2022 and even increased by 3% in 2023 (25%) when two people of the same household are working at the unit.
- When we apply the demographic average for Madagascar (1,1 workers/household), we see a gap of 39% in 2022 and 33% in 2023 between paid and living wage.
- Most workers at our factory are in a situation where their partners have an informal day job (corresponding to a 1,3 worker/household average). In that case the gap between paid and living wage is at 20% in 2022 and 15% in 2023.

While there remains a gap for households where only 1 worker works and for workers at our factory where their partners have an informal day job, we can see the gap closing with 6% and 5%.

We are working on closing the gap and the results are there to show. It also shows in the employee turnover rate from the Madagascar unit. Where it went from 24,6% in 2022 to 21,2% in 2023.

Next year we will apply the Anker methodology in our production sites in Tunisia and Morocco while keeping tabs on the developments in the other units.

7.3. Oeko-Tex STeP

With 4 out of 7 production units already being Oeko-Tex STeP certified and 3 units ready for audit, we nearly have all our production sites certified.

It's very important for us to have all our production units certified as it aligns with our business ethos and principles. Oeko-Tex STeP certification embodies a commitment to responsible textile, leather, and industrial laundry production, prioritizing social and environmental standards. This certification ensures comprehensive management of environmental impact and chemicals, while promoting fair working conditions and worker safety. By emphasizing continuous improvement, STeP certification drives efficiency and resource optimization, advancing sustainable practices in production processes.

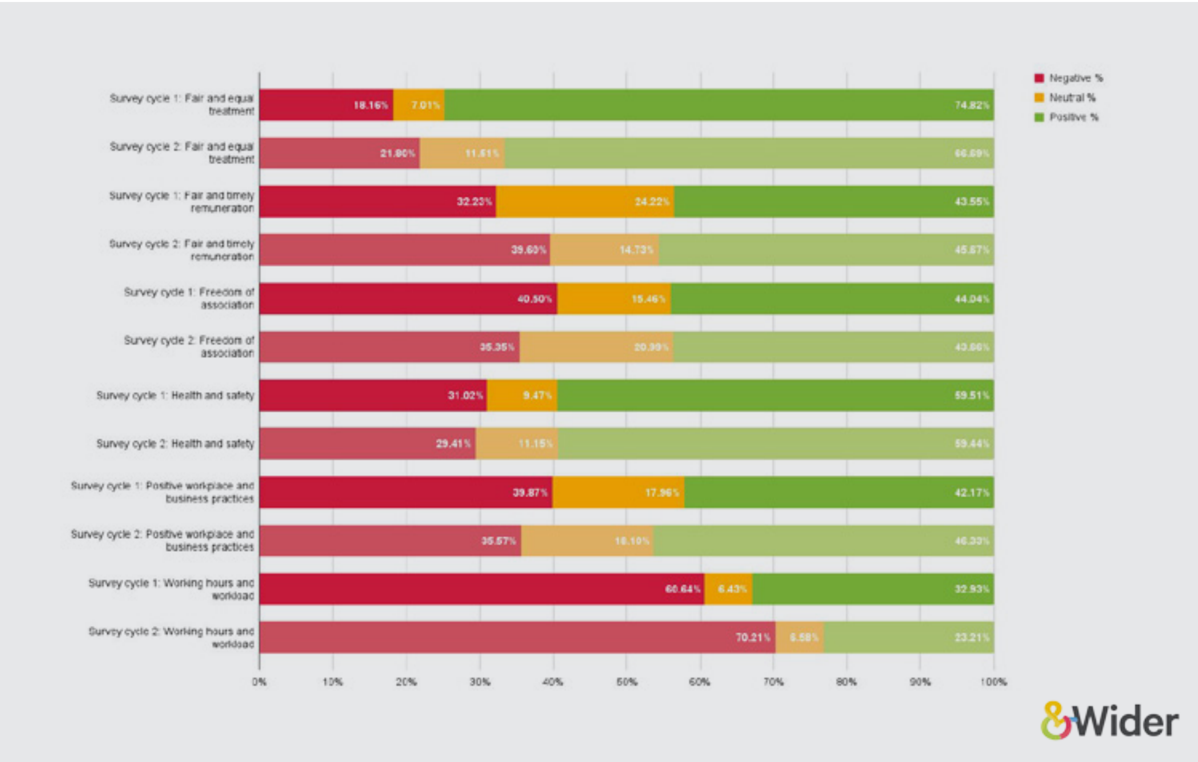
This is the advancement of production locations on 15/04/2024:

unit	Started assesment	Ready for audit	STeP-certified
Laos	-	-	✓
Belgium	-	-	✓
Morocco (Rabat)	-	-	✓
Tunisia	-	-	✓
Mexico	-	✓	-
Madagascar	-	✓	-
Morocco (Marrakesh)	-	✓	-

7.4. human rights due diligence

Alsico commissioned &Wider to deploy worker surveys to workers across 7 sites in Tunisia.
In total, two survey cycles were conducted during august 2022 and may 2023, and 760 workers participated in both survey cycles offering insights into their working lives.

These are the results:



In general, most assessed topics got a positive/neutral response from our workers in Tunisia.
More than half of the workers responded positive to the topics 'Fair and equal treatment', 'Fair and timely remuneration', 'Freedom of association', 'Health and safety' and 'Positive workplace and business practices'.

Regarding the topics 'Working hours and workload' more negative answers were observed.

Hence more in-depth investigation was needed to better understand why these answers were given and an action plan was set up to remedy the issue.

First of all it is important to understand the local habits and culture.
As most workers in Tunisia are female, they are traditionally also the ones taking care of all household duties, and the children.

Therefore supportive actions were taken concerning ‘working hours & workload’ to support our workers in a better work life balance:

- in Tunisia the legal full-time workweek is established at 48 hours for the garment industry. We reduced it to 45 hours.
- in Tunisia, Sunday is the official day off, we added Saturday as a day off from work.
- to lighten the more physical work we re-organised tasks per person and added extra people on the production lines where needed.

Regarding the topics 'Fair and timely remuneration' an increase in negative feedback was observed.
Hence more in-depth investigation was needed to better understand why these answers were given and an action plan was set up to remedy the issue.
As most workers in Tunisia traditionally have large families with a strong sense of community, they spend their full income on health, schooling for children, rent, electricity, clothing, gifts and holidays.
Hence, they tend to overspend their income before the end of the month and need money loans.
Access to credit/loans can be obtained very easily from local banks.
To support our workers with ‘Fair and timely remuneration' we have organised the following:

- we assigned HR responsible persons that help guide the workers to better manage their salaries and household budget
- awareness campaigns have been started

In 2023 Alsico Tunisia won the government prize 'Prix du progrès social'.

When our next survey is conducted, we will see how our actions taken are perceived by the workers and if they had the expected positive impact.

8. alsico group Code of Conduct

8.1. our sustainability policy

Alsico group is a family company that is globally active. We design, produce and distribute quality workwear and protective clothing since 1934. Our work is based on mutual trust between partners, respect and real concern for the people we work with, as well as on an long-term vision that is guided by climate neutrality and positive social impact we aim at.

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 and environmental due diligence (HREDD) as described in the UN Guiding Principles on Business and Human Rights. By inquiring regularly our main stakeholders – workers, suppliers, customers, local, national and international authorities and 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 that these risks exist. Alsico chooses to reduce risks by integrating due diligence in its environmental and social management systems.

For that we rely to a great extent on the information we get from our suppliers. The code of conduct you are about to read & sign offers **a framework for making the best decisions, together**. It lays the groundwork for our current en future partnership. For all the discussions we will have on risks in the supply chain.

We want you to look at this code of conduct as a fundament that permits us to partner towards our goals. Alsico group has identified two main goals to be achieved by 2040: **Net Zero+**, reducing 90% of current CO_2 emissions. And **Living Wage+**, closing all detected living wage gaps at alsico productions in due time (for all goals and subgoals see table below). We will direct our purchases in such a way that we achieve these goals.

To make sure we speak the same language while entering dialogue with a partner, we aligned our requirements with existing international frameworks. These are 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 participant, as well as on the principles of sustainable procurement – ISO20400 - and eco design – ISO14006.

We would like to stress that the followings code of conduct applies to alsico and all our suppliers, as well as their suppliers, agents and possible subcontracters. It constitutes the fundament of our procurement policy. If you sign the code of conduct you signal that you are willing to partner with us under these conditions. Should you choose not to sign, then we cannot start a partnership.

At least once a year the supplier shall demonstrate compliance with the code of conduct by sharing requested information in the supplier interface.Non-compliance has to lead to immediate action, proving that the detected risk or non-compliance has been met with a SMART action. Progress on risks and actions defined in our due diligence will be part of our regular supplier meetings.

Reducing social and environmental risks in the alsico Group supply chains is a work that only can succeed by having an open and transparent partnership. From our side we guarantee the following:

- **Accountability:** as an organization alsico is accountable for its impacts on people, the economy and the environment. This applies to its direct operations as well as to the supply chains, that span the full life cycle of goods and services alsico acquires;
- **Transparency:** Alsico seeks total production transparency in order to show the impacts of our activity on people, the economy and the environment. We want our clients to know how the clothing they wear is produced, where and by whom. Alsico will encourage its suppliers to be equally transparent.
- **Ethical behaviour:** Alsico will behave ethically and promote ethical behaviour throughout its supply chains;
- **Respect for the rule of law and international norms of behaviour:** Alsico respects the rule of law, international norms of behaviour and human rights as they are stated in the Universal Declaration on 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 code of conduct which describes 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 this code of conduct and take the opportunity to thank you for your cooperation and support for alsico's activities.

Yours sincerely,

Vincent Siau, Managing Director alsico Europe
Gauthier Siau, CEO of alsico group

8.2 alsico group Code of Conduct 2023[5]

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 or repeated misconduct, will result in terminating the agreements of collaboration and all or any orders without notice and with immediate effect.

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 several global supply chains we have the duty to comply with all applicable human rights laws, including the all articles of the **Universal Declaration of 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.

1.3. Zero tolerance for sexual harassment

Alsico group 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.

1.4. Grievance mechanisms

Alsico group, the company's suppliers, their affiliates, representatives, agents and subcontractors shall provide low barrier grievance mechanisms where people can file anonymously complaints, such as a trusted person, a grievance box managed by a third party and/or by a designated responsible who is bound to confidentiality. Parties that have access to the mechanism shall keep record of the grievances and the treatment of the case (see also 6.2.).

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 in respect of employment and occupation. Discrimination in employment and occupation means treating people differently or less favorably 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, color, sex, religion, political opinion, national extraction, social origin, age, disability, HIV/AIDS status, trade union membership, and sexual orientation.

Recruitment, wage policy, admittance to training programs, maternity protection, 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).

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 (see 6.1 and 6.2.).

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.

Appropriate protective equipment shall be made available to all employees working in identified risk environments. Special attention shall be paid to occupational hazards that are specific to our branch of the industry and assure that a safe and hygienic work environment is provided for.
We shall comply with the highest standard of health and safety regulation, to prevent accidents and minimize health risks (following ILO Convention 155). In addition, employee and leadership participation in the improvement of health and safety-processes shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

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. (ILO Convention 122)

3. Environment

3.1. Basic principles of our environmental policy

Alsico Group, the company's suppliers, their affiliates, representatives, agents and subcontractors shall abide by the following principles:

- Protect the Environment throughout the 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 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.
- Minimize the environmental impact, for the full 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

[5] Each updated version substitutes the former. In case there is no new version presented, the last version signed maintains its validity.

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;

3.2. 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.

Alsico group Suppliers shall be compliant with the ZDHC waste water guidelines.

Alsico group Suppliers shall encourage their business partners to take the same precautionary approach to environmental challenges.

3.3. 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 comprehensive approach includes but is not limited to: reducing energy, water consumption, CO_2- emissions, waste, increasing use of renewable materials and energies, sourcing locally, training people, invest in environmentally friendly technologies.

4. Ethical business behaviour

4.1. Alsico group does not tolerate any acts of corruption, extortion, embezzlement or bribery in its own nor 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: c-ompliance to GDPR
- Conflicts of interest

4.2. Alsico group 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 group 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.

4.5. Specifically alsico group 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 Group. Should any kind of such acts be revealed, then alsico group has the right to terminate the Agreements of collaboration without notice and with immediate effect. In addition, alsico group 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.

4.6. Any breach of the relevant provisions of this Clause, or otherwise act in contravention of anti-corruption legislation or human rights law shall give us the right to terminate the agreements and all or any orders without notice and with immediate effect.

5. Respect of company and personal data

5.1. Alsico group 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 group customers.

5.2. Alsico group 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 group 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 group suppliers will make available all information necessary to demonstrate its 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

6.1. We shall cooperate in building a transparent supply chain by sharing information on the location (country) and the name of suppliers. This we need in order to conduct a sound human rights and environmental due diligence. Alsico group guarantees its suppliers the confidential treatment of any information of this kind they share.

6.2 External grievance mechanism

Alsico group maintains several internal grievance procedures, ranging from trusted persons to preventive surveying on worker conditions and possible grievances.

In addition to that we offer the possibility to our stakeholders to report on negative impact that is a consequence of our activity.

Grievance reporting is possible through our yearly stakeholder consultation or through this form, managed by BSCI amfori. Any business partner confronted with a situation that is likely to breach a law, regulations or the principles stipulated in this code of conduct may freely report this specific situation through the BSCI amfori grievance mechanism. The form is made available through the following website: https://www.amfori.org/content/amfori-external-grievance-mechanism-formAll grievances will be reviewed by the amfori secretariat, who will seek to find a fair, timely and objective resolution.

Grievances can be lodged by:

- Workers/employees (that belong to the amfori members' supply chains);
- amfori members and their business partners (including subcontractors and suppliers);
- Service providers;
- Stakeholders, including third parties with explicit authority to represent a grievant.

The grievant should be able to provide information that is:

- A statement about a perceived or real wrong or unfair treatment,
- Related to amfori services, their members and/or services providers and
- Factual and evidence-based

The amfori secretariat owes a duty of confidentiality to the grievant. All communication and procedural steps towards remediation will not disclose any sensitive or personal information. A grievant's personal details will only be made available to amfori secretariat employees or agents involved in the grievance process. amfori complies with all obligations applicable under the EU General Data Protection Regulation.

7. Continuous improvement

Alsico group 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.

8. Cascading the code of conduct

We, alsico group suppliers, hereby declare that we will uphold these standards and cascade them down our supply chain.

9. GRI content index

GRI Standard	Disclosure		Page number(s)* and/or URL(s)
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General Disclosures			
GRI 102: General Disclosures 2016	**Organizational profile**		
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	102-2	Activities, brands, products, and services	17
	102-3	Location of headquarters	58
	102-4	Location of operations	17
	102-5	Ownership and legal form	2
	102-6	Markets served	38
	102-7	Scale of the organization	17
	102-8	Information on employees and other workers	32-35
	102-9	Supply chain	17
	102-10	Significant changes to the organization and its supply chain	4,5
	102-11	Precautionary Principle or approach	44-49
	102-12	External initiatives	4-5
	102-13	Membership of associations	4-5
	Strategy		
	102-14	Statement from senior decision-maker	4-5
	102-15	Key impacts, risks, and opportunities	4-5
	Ethics and integrity		
	102-16	Values, principles, standards, and norms of behavior	8, 10, 42-49
	Governance		
	102-18	Governance structure	34
	102-20	Executive-level responsibility for economic, environmental, and social topics	4-5
	102-21	Consulting stakeholders on economic, environmental, and social topics	8, 9, 10
	102-22	Composition of the highest governance body and its committees	34
	102-23	Chair of the highest governance body	4-5
	102-29	Identifying and managing economic, environmental, and social impacts	8, 9, 10
	102-30	Effectiveness of risk management processes	8, 9, 10
	102-31	Review of economic, environmental, and social topics	8, 9, 10

GRI 102: General Disclosures 2016	**Stakeholder engagement**		
	102-40	List of stakeholder groups	8, 9, 10
	102-42	Identifying and selecting stakeholders	8, 9, 10
	102-43	Approach to stakeholder engagement	8, 9, 10
	102-44	Key topics and concerns raised	8, 9, 10
	Reporting practice		
	102-45	Entities included in the consolidated financial statements	17
	102-46	Defining report content and topic Boundaries	17, 54
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	102-49	Changes in reporting	4-5
	102-50	Reporting period	2
	102-51	Date of most recent report	2
	102-52	Reporting cycle	2
	102-53	Contact point for questions regarding the report	2
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200 series (Economic topics)			
Economic Performance			
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	103-2 The management approach and its components		42-49
	103-3 Evaluation of the management approach		42-49
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		6
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		36
	205-2 Communication and training about anti-corruption policies and procedures		37
	205-3 Confirmed incidents of corruption and actions taken		37
300 series (Environmental topics)			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		38
	103-2 The management approach and its components		38
	103-3 Evaluation of the management approach		38
GRI 301: Materials 2016	301-1 Materials used by weight or volume		30
	301-2 Recycled input materials used		30

Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	17
	103-2 The management approach and its components	12
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	19, 21
	305-2 Energy indirect (Scope 2) GHG emissions	19, 24
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	308-2 Negative environmental impacts in the supply chain and actions taken	12, 13, 14, 38
Waste		
GRI 306: Waste 2020	306-1 Waste generated	31
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400 series (Social topics)		
Employment		
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	103-2 The management approach and its components	12, 13, 14
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Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	12, 13, 14
	103-3 Evaluation of the management approach	12, 13, 14
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	12, 13, 14
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	32
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34

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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	12, 13, 14
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GRI 406: Non-discriminati-on 2016	406-1 Incidents of discrimination and corrective actions taken	34
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	44, 49
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	44, 49
	103-3 Evaluation of the management approach	44
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	44,49
Forced or compilsory labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8,9, 10
	103-2 The management approach and its components	45, 49
	103-3 Evaluation of the management approach	45
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	45
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	44-49
	103-3 Evaluation of the management approach	44-49
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	44
	412-2 Employee training on human rights policies or procedures	44
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8, 9, 10
	103-2 The management approach and its components	46
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GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	46
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47
	103-2 The management approach and its components	47
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10. annexes GHG report

Annex 1. Inventory boundary

1) Alsico group accounts the following emissions:

Scope 1: Direct GHG emissions

For all 17 controlled units alsico group reports GHG emissions from sources they own or control as scope 1. Following Direct GHG emissions are accounted for in the report:

- Generation of heat, steam or electricity.
- Transportation of materials, products, waste, and employees. (cf. company cars)
- Fugitive emissions. (cf. refrigerants)

Scope 2: Electricity indirect GHG emissions

For all 17 controlled units alsico group reports electricity indirect GHG emissions. These encompass GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company.

Scope 3: other indirect GHG emissions

Following indirect GHG scope 3 emissions are accounted for in the report.

Upstream

- purchased goods and services
- transportation and distribution
- waste generated in operations
- business travel
- employee commuting
- **capital goods:** purchase of office machinery and supplies has been accounted for

Downstream

- transportation and distribution
- **leased assets:** this would come to emissions from property of alsico group that has been leased to a third party. No assets of alsico group have been leased over 2023.
- **franchises:** these would be emissions from an alsico group operation of franchises in the reporting year, not included in scope 1 and scope. No such operation exists.

2) The reporting period covered.

This GHG accounting report covers the calendar year 2023.

3) The list of all exclusions and their justifications

Scope 1:

Following direct GHG scope 1 emissions are not accounted for in the report:

- **Physical or chemical processing.** Emissions that are a result from manufacture or processing of chemicals and materials, e.g., cement, aluminium, adipic acid, ammonia manufacture, and waste processing. No such activities are taking place at our factories.

Scope 2:

Following indirect GHG scope 2 emissions are not accounted for in the report:

- **Indirect emissions associated with distribution and transmission.** No such activities are taking place at our factories.

Scope 3: other indirect GHG emissions

Following indirect GHG scope 3 emissions are not accounted for in the report:

Upstream

- **fuel and energy related activities:** for alsico group this would come to emissions from transport of fuels. Due to lack of data we have not accounted for the distance/weight of the fuels when transported to our locations.
- **leased assets:** emissions from leased company cars are reported for under scope 1.

Downstream

- **processing of sold products:** for alsico group this would come to the emissions of all downstream processing our products. Since these are finished garments, processing is limited (unpacking, washing, ironing). No reliable data on these handling processes – at our clients – are available.
- **use of sold products:** for alsico group this would come to the emissions from washing and transporting garments from and to laundry and its clients. There are no reliable data on these activities, that are taking place at our clients. *We will work to include these emissions at a later stage. This will most likely lead to a recalculation of the base year emissions (see 6.1.2. recalculation policy)*
- **end-of-life treatment of sold products:** this would come to the emissions from discarding garments after use. The decision when a garment is 'end-of-life' is taken by our clients. We offer them the possibility to bring back clothing for recycling, therefore, we have included the amount of products collected for recycling in the 'recycled waste' category. On the remaining part we have no reliable data.
- **investments:** debt, equity or project financing of alsico group have not been included the GHG accounting. Most include property, which is included in scope 1 and 2 emissions. We will consider including this category in future accountings.

Annex 2. Recalculation policy

Guidelines for Base Year Adjustments

Alsico group has chosen 2022 as the base year for the greenhouse gas (GHG) emission calculations related to the 2034 climate neutrality ambition. The rationale behind that being 2022 the very first year of all scope GHG-reporting on a Group level, thus making 2022 the earliest relevant point in time for which we have reliable data (GHG protocol). In April 2023 alsico group has committed to the Science Based Targets and will use its base year data to submit a short and long term target for approval.

In order to accurately track progress towards our absolute GHG targets, we will adjust our base year emissions inventory to account for following specified significant changes. The 'significance treshold' is met when the changes drive an increase/decrease in emissions of greater than 5%, in accordance with the GHG Protocol guidance Tracking Emissions Over Time. We may also choose to recalculate our baseline for changes less than 5%, when structural changes occur.

Structural changes

Structural changes that significantly impact our base year GHG emissions and may trigger the adjustment of the baseline include acquisitions, divestitures or mergers. When significant structural changes occur in the middle of a year, the current and base year emissions will be recalculated for the entire year. In the event of an acquisition, in order to ensure that full and accurate data are available, recalculation may be carried out up to one year after the structural change has occurred.

Calculation methodology changes

Methodology changes that significantly impact our base year GHG emissions and may trigger the adjustment of the baseline include updated emission factors, improved data access or updated calculation methods or protocols.

Data errors or other changes

We will recalculate our emissions in the event of discovery of a significant error, or a number of cumulative errors that together are significant. Significant change in our organizational or operations boundaries may likewise result in the adjustment of the baseline.

Timeline

Baseline adjustments will occur at the end of each fiscal year if we identify any changes described above that have occurred in the reporting period which may require us to recalculate our base year. We publicly restate our baseline when we report the latest carbon footprint, typically the next annual sustainability report, which covers the previous financial year.

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