about Alsico

A. WORLDWIDE

2018

WORLDWIDE

10 business units

8800 people

>400K pieces / week

>€280M turnover

NORTHERN EUROPE

3 fully owned production & development units

+800 people

>24K pieces / week

>€30M turnover
B. KEY FIGURES

- **829** employees
- **88%** of all workers are women
- **1.691.973** hours worked
- **1.206.075** pieces of clothing produced
- **30** net job creation of jobs
- **1.172.137 kWh** total energy consumption within the organisation
- **20.424** tons of CO2e emissions in 2020
- A structural reduction of 29% in CO2 emissions compared to base year 2016
- **688** hours training on human rights policies or procedures concerning aspects of human rights that are relevant to operations
- **33.409.176,75** direct economic value generated in revenues
- **19** hours of training for male employees
- **13** hours for female employees
- **7** recordable work related injuries
C. TIMELINE

January
renewal of Ecovadis Gold status, improving our score to enter the 5% best performing companies in our industry

February
taking part in the jury in the OVAM ecodesign circular challenge for students of HOGent

March
Student pitch IMEC product design—a circular ecosystem for Alsico

April
redirecting the supply chain to produce certified and reusable face masks

May

June
launching the Alsicomasks.com webshop featuring carbon neutral reusable facemasks

July
joint presentation of the Erasmus-hug for young heart transplant patients, developed in cooperation with Erasmus Rotterdam Hospital

October
medical reusable collection presented with focus on environmental gains

November
donation of 50,000 face masks to City of Ronse

December
renewal of the ISO 14001 certifying our environmental management system

//6

//7
The information in this report covers the period from 1 January 2020 to 31 December 2020. 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.

For more information about Alsico nv, including our approach to sustainability and our performance, please check www.alsico.eu.
Dear stakeholder,

I am very pleased to announce our 2020 sustainability report. Please because the report is a testimony of Alsico’s resilience in an extraordinary year. You will find a serious amount of numbers in the report. In general stating the good health of the company. However, these numbers only exist because of the people, the workers of Alsico who have given their utmost to drive the company through this apparent storm that was 2020.

But was it really such an extraordinary year? ‘Contrary to the popular belief, the past was not more eventful than the present.’ says the opening sentence of George Orwell’s 1940 essay ‘My country right or left’. Orwell reminds us that memories use to distort the reality we all felt at the moment, each in our particular way. Even in eventful times we are more often touched by small things. Those events and our memories of them, will not necessarily coincide with that what ‘history’ will remember of 2020.

The sustainability report that lies before you is a gathering of these ‘small things’. Things that matter to both Alsico and to you, our stakeholders, with whom we are in constant dialogue. Through out the report we will focus on these ‘material topics’. But some need to be underscored right here.

The fast changing circumstances at the height of the corona-pandemic made that small actions and decisions could make a huge difference. We are particularly proud of the concerted and fast communicated health and safety measures taken in all our facilities. Without any doubt this contributed to the fact that not one cluster infection was detected at our production units.

When confronted with the shortage in face mask supply at the beginning of the pandemic, we took the decision to redirect a large part of our production capacity towards the production of face masks. At some point literally everybody who could work on a sewing machine was producing masks. Again, this was only possible thanks to the relentless effort of our employees.

Probably the hardest decision was to apply the furious scheme, in order to deal with the continuous uncertainty in the business. Also here we saw an extraordinary solidarity. All Alsico workers in all positions have taken at least a part of the temporary unemployment, dividing as such the burden. This effort has helped to keep both the financial and social impact low.

But 2020 was not only about containment of risks and crisis management. What we see in this report is that our effort make our activity more sustainable, has not been halted by the pandemic. Much on the contrary, it has deepened in way that gives us strength to be more ambitious and bolder in reaching our goals.

In June 2020 we did a survey on the socio-economic wellbeing of our workers in Tunisia (see page 28). The extremely high response rate of 87% was a strong sign of involvement and trust. On this we started to build a complete social assurance system that takes into account all the workers needs, from health and safety in the workplace up to work-life balance. The system is built on internal processes that will be verified externally by Oeko-Tex, as a part of the SteFit certification.

In a similar way we measure the CO2 footprint of our whole activity, as an indicator of the impact we have on the environment. Last year’s CO2 footprinting showed that we managed to reduce overall emissions by 29% (see page 30-31) compared to our first measurement in 2016. This is a more than satisfactory result, since three years ago we had put the goal to reduce emissions with 25% by the end of 2021. More important, the exercise has learnt us that 90% of our emissions comes from the fabrics we buy. Knowing this has triggered us to cooperate with our suppliers on the development of a new fabric – the Alsi-Flex – that emits two thirds less CO2 over its whole supply chain. This permits us to be even more ambitious and aim for a 60% reduction by 2030.

Also we have been working on a full service circular approach of our clothing. We can collect all the clothing we put on the market and lead it to a reuse or recycling solution. This service will be integrated in Circle Tex, the industry wide initiative of which Alsico is a founding member. As such we can offer our clients a full service that is compliant with the EU directive on Extended Producers Responsibility, that will go into effect from January 2025.

When we join these seemingly small pieces, we see that we have laid out a clear and ambitious path to a more sustainable Alsico. A path also that is tailored to the challenges that lie ahead. We know that cutting CO2 emissions will be crucial for mitigating the consequences of the climate change that is in course and of which we saw some very ugly examples last summer. We know as well that no business can sustainable without respecting their workers and those who indirectly contribute to our product.

Therefore we commit ourselves to this 60% cut in CO2-emissions by 2030. As we commit to the elimination of human rights and social risks in our supply chain by putting due diligence at the heart of our planning and procurement processes.

These will be challenging times for some time to come. But since 2020 we are absolutely convinced that we have the strategy, the people and the stakeholders to achieve these goals.

I wish you a nice and pleasant reading.

Yours truly,

Vincent Siau
Our commitment
TO THE UN SUSTAINABILITY GOALS

As an active participant of the UN Global Compact Alsico has chosen to integrate its actions in the 17 Sustainable Development Goals, established by the UN in 2015 and to be met in 2030. The framework has proven to be an excellent tool for guiding businesses and organisations like ours through the complex concept of social and environmental impacts. By choosing to focus on the following three SDG’s we commit to take action in the area’s that our stakeholders define as those that matter, the so called ‘material topics’ (see page 16-17). Also the SDG’s intersect with the main risks we detect through our continuous due diligence on our activity and its supply chain.

Alsico has chosen the following SDG’s as its priority action domains:

**3 GOOD HEALTH AND WELL-BEING**

**8 DECENT WORK AND ECONOMIC GROWTH**

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

**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. When our stakeholders say that Quality of Products is the most material topic, we see a direct link to this goal. We consider the same standards for the health and wellbeing of our workers, which are at all times, the core of the organization.

**Decent work and economic growth:** Everyone deserves to have a good job that is safe and pays them well. As an organization with oversees production units Alsico wants to take this goal especially at heart. We focus on safe work environments in all our units, as well as general socio-economic wellbeing of our workers and decent pay considering local living cost. Even in the corona-year 2020 we were able to add 30 jobs to our workforce. Please note that the workforce driving Alsico is overwhelmingly female.

**Responsible consumption and production:** Natural resources have been exploited to the point of exhaustion. Environmental impacts of our human economic activity is leading to mass biodiversity loss. By adopting this goal Alsico commits to manage its naturals resources in a sustainable way. We strive for a substantial reduction of waste generation and for a responsible management of chemicals and waste. Adopting a circular economy approach throughout our activity, as well as a sustainable procurement system along the guidelines of ISO 20400 must help us to realize this goal.

**Share of product types sold in 2020**

**42,58% 31,20% 18,25% 1,53% 6,44%**

**Care** | **Industry** | **Protective/CE** | **Hospitality** | **Other**

**A female workforce**

**0 ton 200 tons 400 tons 600 tons 800 tons 1000 tons**

**Recycled** | **In use** | **Donated for use**

**2016 2019 2020**

**Responsibility in use**

**88% 12% 12%**

**Female workers** | **Male workers**
Looking forward to 2030

The years to come until 2030 will be crucial for the wellbeing of people on earth. After carefully examining materiality of topics, as well as carrying out due diligence on social and environmental risks, we were able to identify three major goals for the next decade. Alisco has all instruments in place to reach these goals. Actions leading to these goals have been defined and are in full execution (see page 28 onwards).

ALSICO COMMITS TO:

1. 60% cut in CO2-emissions from our base year 2016 (see page 30-31)
2. Working exclusively with suppliers giving information on their supply chain
3. Launching a product that meets all circularity requirements by reducing materials, extending use phase and reusing/recycling the raw materials.

MATERIALITY ASSESSMENT:
Materiality assessment is an ongoing process that provides the foundation for the implementation of our sustainability strategy. This is our second 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 items. These were ranked by a group of 58 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 Alisco and 2. What is the impact of the topic in your/the stakeholders’ general opinion of the company.

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.

Materiality Matrix 2020

- Quality of products
- A safe and healthy workplace
- Customer satisfaction
- Management responsibility
- Creation of economic value
- Happy employees
- A living wage
- Responsibility for product and production
- Strong supplier relationships
- Diversity and equal opportunities
- Transparency in the supply chain
- Impact on local communities
- CO2-emissions and climate impacts
- Environmental impacts of raw materials
- Local purchase and production
1. **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.

2. **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.

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.

4. **Strong supplier relationships**

Supply chains have proven to be fragile. Therefore supplier relations have to been strong. In order to meet all the quality and service requirements we set ourselves and our products.

5. **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.
1. Quality of products

RELATED IMPACTS
Customer safety, customer satisfaction, environmental impact of materials

KEY FIGURES
- 294 product complaints in 2020
- Quality index is based on the inverse of the amount of complaints. We consider complaints on a complaint-to-order-line ratio

OUR GOAL
To keep quality levels at a steady high level, above 99%. Complaints should be steady below 500.

WHAT WE DID IN 2020:
We conducted a more focused analysis of the increased quality complaints related to delivery and packaging. We concluded that the increase in complaints on delivered orders was a direct consequence of new processes being installed after moving to the new Alsico Logistics warehouse.

WHAT WE ARE DOING
We hold the QA system under constant review and are continuously striving for higher standards. This 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.
2. Customer satisfaction

RELATED IMPACTS
Sales, customer safety, customer privacy

KEY FIGURES
- 60% of stakeholders agree with the statement that Alsico does well on customer satisfaction
- among customers this is 58%, with 25% not agreeing that Alsico scores well on customer satisfaction

Alsico scores well on customer satisfaction

SDG

OUR GOAL
Raise overall customer satisfaction from the actual 60% to 75%.

WHAT WE DID IN 2020:
We held an extensive stakeholder survey from which we retrieved these numbers. With 58 answers on 400+ sent e-mails the response rate in this survey was both in absolute and relative terms low. Due to the pandemic we were not able to conduct a full customer satisfaction survey. Among the significant actions we also count: containing the supply chain interruptions due to the corona pandemic, by redirecting production. Increased customer communication, in order to know specific needs under the fast changing circumstances. Redirecting supply chain towards urgent face mask production.

WHAT WE ARE DOING
Over the past years we noticed that response rate in customer satisfaction surveys has been both in absolute and relative terms too low to obtain statistically significant data. This is a major to-do in order to enable us to integrate significant customer information in our processes. Also we will try to move from a strict interpretation of customer satisfaction to a broader ‘wearer satisfaction’.
3. Management responsibility

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

KEY FIGURES
• 50% of EXCO are women

Composition of the Executive Committee

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

WHAT WE DID IN 2020:
Management responsibility continues top of our priority list. In order to have a more agile day-to-day management, we have installed a four member executive committee of which the managing director is part.

WHAT WE ARE DOING
We are closing last part of a transformation towards full and measurable accountability with own brands, assurance systems at all levels: financial, quality, social and environmental.

SDG

8 DECENT WORK AND ECONOMIC GROWTH
3 GOOD HEALTH AND WELL-BEING
4. Strong supplier relations

RELATED IMPACTS
Quality of products, responsibility for product and production, environmental impacts of materials, sustainable purchasing

KEY FIGURES
- 67% of purchase volume comes from suppliers who are transparent on their supply chain

OUR GOAL
100% of purchase volume from supplier that are transparent on their supply chain.

WHAT WE DID IN 2020:
We standardized the supplier relations and their evaluation, introducing framework agreements for legally binding agreement on quality, composition and product responsibility.

WHAT WE ARE DOING
We will be introducing in 2021 general and preferred supplier agreement – these will contain non-negotiable clauses such as that we don’t tolerate under any circumstances bribery, nor bonded labour or child labour – introduction of an ISO 20400 approach to sustainable purchasing that starts from a code of conduct which has to be both signed and supported by data we request with our suppliers.
5. A safe and healthy workplace

RELATED IMPACTS
Production responsibility, working conditions, happy employees

KEY FIGURES
- 7 work related injuries on a total 1,691,973 hours worked – a ratio of 0.00041%
- 0 cluster infections with COVID 19 in our facilities

OUR GOAL
0 work related injuries

WHAT WE DID IN 2020:
We laid out a major effort to contain the pandemic within our premises. Early warning, clear and firmly communicated guidelines. Homework and health policies were adapted to cope with newly created circumstances.

WHAT WE ARE DOING
Based on the experience we had during the pandemic homework policies are rewritten, permitting office workers to choose their offices days in function of actual necessities for clients and organization.
Focus on SOCIAL RESPONSIBILITY

When the corona pandemic struck, health restriction measures in Tunisia forced us to close our premises for several weeks between April and May 2020. During the closing our workers were paid their salaries normally.

After people returned to work it was clear that their lives had been affected, by the lockdown and the general insecurity the pandemic had brought. As a part of our due diligence approach on social and environmental responsibility we decided to take a survey on the wellbeing of our workers, in order to know the most urgent needs as well as real and potential risks.

OUR GOAL
Detect urgent needs and risks

SCOPE
The workforce in Tunisia

RESULTS
A significantly high response rate of 87%

Survey response rate

Have domestic tensions increased since the start of the pandemic?

Indication of high budget share for day care and school

Willingness to participate in a day-care project sponsored by Alsico

As a consequence we have initiated talks with Unicef Tunisia in order to push ahead with a day care solution for our workers. We will be glad to report on the progress of that project in the coming year.
8 Focus on CO2-Emissions

WHAT?
In 2017 we decided to take a CO2-footprint of Alsico’s total activity. The method used was that of Bilan Carbone®/carbon accounting, that follows the GHG-protocol and PAS 2050 standards on carbon footprinting. It was carried out by an licensed external party and builds on all information available in our accounting system. All financial traceable activity – from the smallest purchase to global energy consumption – can thus be converted in CO2. By doing so we were able to prioritize and take action on the most important sources of emissions.

WHY?
Five years ago the enthusiasm of the Paris Agreement supported the idea that global action was possible and halting climate change was at least a ‘doable effort’. Today some of the enthusiasm has turned to fear, as we all see the urgency of joint action. Alsico believes we can still curb emissions so that climate change will remain ‘manageable’. To keep on track for our target – a 60% structural CO2-emission reduction by 2030 – we need the steady information of a yearly carbon footprint.

RESULTS?
By including the scope 3 emissions – emissions from raw material and other purchases – 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.
In comparison to our base year 2016 we reduced overall emissions by 21% to a total of 20 424 ton CO2e. Part of this reduction 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 29% in 2020. 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.

**ACTIONS:**
The logistics part of our activity has already moved to an energy efficient building, other services will follow over the next months. The 2020 emissions already show the impact of the old energy consuming premises disappearing from the counting. Scope 2/energy – emissions have dropped by over 70%.

Raw materials are still the most important source of our emissions. In strong collaboration with our suppliers we were glad to develop a new sustainable stretch fabric over the past year. Alsi-Flex, as the fabric is called, emits 72% less CO2 over its total supply chain compared with classic polyester cotton fabric. The commercial introduction of this fabric is ongoing and will certainly lead to significant decrease in scope 3/input-emissions.

**INSETTING CO2 EMISSIONS:**
Over the past four 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 CO2, the compensation of CO2-emission happens through direct action in our own supply chain. For each 100kg of CO2 we emit, we buy a tree that is planted by a project empowering local communities. Last year we planted 77028 trees. These cover emissions from all operations, excluding raw materials, as well as the raw materials of the Alsico collections and the face masks we produced.
Focus on CIRCULAR ECONOMY

WHAT?
Alsico designs its clothing while reducing materials and optimizing confection in a way repair is possible. This consequent ecodesign approach leads to an extended life span of the clothing. While the repair shop and the handling at our warehouse creates extra work. Pieces that have never been worn, but for some reason – minor faults, dead stock - are not sold are given to partners for reuse or remake. In the very last stage Alsico offers a full end-of-life solution for all the clothing it has put on the market. Cutting waste is sent to a fiber-to-fiber recycling program. While clothing that is no longer used is gathered at our warehouse. We separate the flows and lead it to our recycling partners, that make insulation material out of it.

WHY?
Adopting a circular economy strategy can help us to tackle some of the major challenge that lie ahead. Starting from raw material scarcity to the fragility of long supply chains. On top we are able to reduce our carbon footprint significantly and we can keep or even create local jobs.

RESULTS?
800 tons recycled since 2010
Recycling rate today is at 30% of all output
10  Performance
SUMMARY

1. EMPLOYEES AND OTHER WORKERS

<table>
<thead>
<tr>
<th>Gender</th>
<th>Situation 31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>103</td>
</tr>
<tr>
<td>Male</td>
<td>726</td>
</tr>
<tr>
<td>Total</td>
<td>829</td>
</tr>
</tbody>
</table>

2. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct economic value generated: revenues*</td>
<td>33 409 176,75 EUR</td>
</tr>
<tr>
<td>Operating costs*</td>
<td>34 403 036,11 EUR</td>
</tr>
<tr>
<td>Employee wages and benefits*</td>
<td>3 886 007,62 EUR</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>0 EUR</td>
</tr>
<tr>
<td>Total payments to governments</td>
<td>639 179 EUR</td>
</tr>
<tr>
<td>Community investments</td>
<td>0 EUR</td>
</tr>
<tr>
<td>Economic value retained*: ‘direct economic value generated’ less ‘economic value distributed’</td>
<td>28 883 990,14 EUR</td>
</tr>
</tbody>
</table>

3. MATERIALS USED BY WEIGHT OR VOLUME

<table>
<thead>
<tr>
<th>Material Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-renewable materials used</td>
<td>90 584,22 kg</td>
</tr>
<tr>
<td>Renewable materials used</td>
<td>815 257,96 kg</td>
</tr>
<tr>
<td>Total weight or volume of materials used</td>
<td>905 842,18 kg</td>
</tr>
<tr>
<td>Percentage of recycled input materials used</td>
<td>0,5%</td>
</tr>
</tbody>
</table>
## 4. GHG EMISSIONS*

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric Tons of CO2eq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross direct GHG emissions (Scope 1)</td>
<td>634</td>
</tr>
<tr>
<td>Gross location-based energy indirect (Scope 2) GHG emissions</td>
<td>198</td>
</tr>
<tr>
<td>Gross other indirect (Scope 3) GHG emissions</td>
<td>19,593</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>20,423</td>
</tr>
<tr>
<td>Total payments to governments</td>
<td>20,817</td>
</tr>
</tbody>
</table>

* Last measurement: 2020

## 5. NEW EMPLOYEE HIRE AND EMPLOYEE TURNOVER (P45)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Rate/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW EMPLOYEES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALL</td>
<td>155</td>
<td>18.7%</td>
</tr>
<tr>
<td>Male</td>
<td>2</td>
<td>0.2%</td>
</tr>
<tr>
<td>Female</td>
<td>153</td>
<td>18.5%</td>
</tr>
<tr>
<td>ALL</td>
<td>4</td>
<td>110,000</td>
</tr>
<tr>
<td>Male</td>
<td>3</td>
<td>158,197</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
<td>1,691,973</td>
</tr>
</tbody>
</table>

## 6. WORK RELATED INJURIES

<table>
<thead>
<tr>
<th>New employees</th>
<th>Number</th>
<th>Rate/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL</td>
<td>4</td>
<td>110,000</td>
</tr>
<tr>
<td>Male</td>
<td>3</td>
<td>158,197</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
<td>1,691,973</td>
</tr>
</tbody>
</table>

## 7. ENERGY USE

<table>
<thead>
<tr>
<th>New employees</th>
<th>Electricity from renewable sources</th>
<th>Electricity from non-renewable sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>152,797 kWh (solar/wind/ own production)</td>
<td>967,937 kWh (natural gas)</td>
</tr>
<tr>
<td>ALL</td>
<td>152,797 kWh</td>
<td>967,937 kWh</td>
</tr>
</tbody>
</table>
## 8. WATER FOOTPRINT THROUGH COTTON PURCHASES

<table>
<thead>
<tr>
<th>Cotton purchases 2020</th>
<th>293 tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue water footprint (extracted) at plantation</td>
<td>1 242 906 m³</td>
</tr>
<tr>
<td>Green water footprint (captured) at plantation</td>
<td>1 249 352 m³</td>
</tr>
<tr>
<td>Bleaching</td>
<td>11 720 m³</td>
</tr>
<tr>
<td>Dyeing</td>
<td>41 020 m³</td>
</tr>
<tr>
<td>Printing</td>
<td>55 670 m³</td>
</tr>
<tr>
<td>Finishing</td>
<td>41 020 m³</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 461 688 m³</strong></td>
</tr>
</tbody>
</table>

## 9. DIVERSITY OF GOVERNANCE BODIES

<table>
<thead>
<tr>
<th>Diversity categories for organization’s governance bodies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Gender: Male</td>
<td>50%</td>
</tr>
<tr>
<td>i. Gender: Female</td>
<td>50%</td>
</tr>
<tr>
<td>ii. Age group: under 30</td>
<td>0%</td>
</tr>
<tr>
<td>ii. Age group: 30-50</td>
<td>75%</td>
</tr>
<tr>
<td>ii. Age group: over 50</td>
<td>25%</td>
</tr>
</tbody>
</table>
## GRI Content Index

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page number(s) and/or URL(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 101: Foundation 2016</td>
<td>General Disclosures 2016</td>
<td>11</td>
</tr>
</tbody>
</table>

### General Disclosures

#### Organizational profile
- 102-1 Name of the organization 1
- 102-2 Activities, brands, products, and services 1
- 102-3 Location of headquarters 1
- 102-4 Location of operations 1
- 102-5 Ownership and legal form 2
- 102-6 Markets served 2
- 102-7 Scale of the organization 3
- 102-8 Information on employees and other workers 3
- 102-9 Supply chain 4
- 102-10 Significant changes to the organization and its supply chain 5
- 102-11 Precautionary Principle or approach 5
- 102-12 External initiatives 5
- 102-13 Membership of associations 6

#### Strategy
- 102-14 Statement from senior decision-maker 6
- 102-15 Key impacts, risks, and opportunities 8

#### Ethics and integrity
- 102-16 Values, principles, standards, and norms of behavior 8

#### Governance
- 102-18 Governance structure 9
- 102-20 Executive-level responsibility for economic, environmental, and social topics 9
- 102-21 Consulting stakeholders on economic, environmental, and social topics 10
- 102-22 Composition of the highest governance body and its committees 10
- 102-23 Chair of the highest governance body 11
- 102-29 Identifying and managing economic, environmental, and social impacts 11
- 102-30 Effectiveness of risk management processes 11
- 102-31 Reviews of economic, environmental, and social topics 12

#### Stakeholder engagement
- 102-40 List of stakeholder groups 12
- 102-41 Collective bargaining agreements 12
- 102-42 Identifying and selecting stakeholders 12
- 102-43 Approach to stakeholder engagement 12
- 102-44 Key topics and concerns raised 12

#### Reporting practice
- 102-45 Entities included in the consolidated financial statements 13
- 102-46 Defining report content and topic Boundaries 13
- 102-47 List of material topics 16
- 102-48 Restatements of information 16
- 102-49 Changes in reporting 16

#### Economic Performance
- 103-1 Explanation of the material topic and its Boundary 18
- 103-2 The management approach and its components 18
- 103-3 Evaluation of the management approach 19

#### Materials
- 301-1 Materials used by weight or volume 22
- 301-2 Recycled input materials used 22
- 301-3 Reclaimed products and their packaging materials 23

#### Energy
- 302-1 Energy consumption within the organization 25
- 302-2 Energy consumption outside of the organization 27
- 302-4 Reduction of energy consumption 27

#### Water
- 303-1 Interactions with water as a shared resource 29
- 303-2 Management of water discharge-related impacts 31
- 303-3 Water withdrawal 31

#### Biodiversity
- 306-2 Significant impacts of activities, products, and services on biodiversity 33

*the page numbers refer to the full GRI report that is available upon request: [https://www.alsico.eu/nl/alsico-duurzaamheid-elke-vezel](https://www.alsico.eu/nl/alsico-duurzaamheid-elke-vezel)
<table>
<thead>
<tr>
<th>Human Rights Assessment</th>
<th>103-1</th>
<th>Explanation of the material topic and its Boundary</th>
<th>75</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>412-1</td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>79</td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>81</td>
</tr>
<tr>
<td>Marketing and Labeling</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>417-1</td>
<td>Requirements for product and service information and labeling</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>417-2</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>83</td>
</tr>
<tr>
<td>Customer Privacy</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>85</td>
</tr>
</tbody>
</table>

*The page numbers refer to the full GRI report that is available upon request: https://www.alsico.eu/nl/alsico-duurzaamheid-eleke-read
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
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 all the 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 to exercise lawful rights of free association, including joining or not joining any association.

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.

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

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 (indirectly 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) whichever 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.
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.
- Improve 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:

- 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;
- 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.

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
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 all the 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
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 lawful 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 s subscribes and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.

Yours sincerely,

Vincent Siau
Managing Director Alsico nv