

SUSTAINABILITY REPORT

— 2021

Published in October 2022



MUD JEANS



A message from our — CSR Officer

A big thank you for your curiosity and for taking the time to read the fine print. People like you are needed to keep brands accountable and we understand that simply claiming to be a sustainable brand is not enough. This report is our way of diving deeper and showing you exactly what we are up to, now and in the future. Being a small brand with a big mission, we still have many goals and dreams for the future of MUD Jeans. Thank you for joining us on the ride!

Lea Landsberg
CSR Officer

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2021

Sustainability Highlights

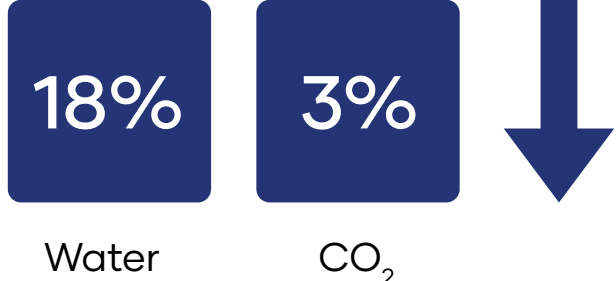


Certified **Awarded**
Best for the World
in Environment
Corporation™ **SCORE: 124.7**

Our jeans compared to the industry standard:



Our 2021 LCA impact values are in!
We have reduced our impact even further.



What we are proud of this year:

- Inspiring others - 9887 people have heard our story through multiple speaking events.
- Our sustainable fashion course - created with industry experts, for students & young professionals.
- A circular denim cover for Ikea - creating a 40% recycled denim cover for their iconic klippan sofa.
- The highest B Corp score in the Environment category worldwide - we were named "Best for the World" 2021.
- A sculpture for COP26 - creating awareness with a five metre sculpture made from old MUD Jeans.
- Regreening - for every pair of jeans returned for recycling, we donated to regrow one tree; reaching 11500 in total!
- Blue friday - shutting down our online shop and selling only vintage to combat overconsumption.



A denim experience with — MUD Jeans

Open up your closet and count how many pairs of jeans you own. Most of us own an average of six or seven pairs of jeans but only wear four. We don't blame you for your denim addiction, the reality is that we are all victims of the fast fashion system. Since the 90's we have normalized the action of buying a lot of clothes, wearing them a couple of times, and throwing them away. This is what defines a linear model. In the last 15 years, clothing production and consumption has doubled and the average consumer purchases 60% more clothing. Unsustainable production methods and excessive consumption have resulted in the fashion industry being among the top ten most CO₂ emitting industries.

At MUD Jeans we do things differently. We strive to lead by example and find an alternative to the fast fashion status quo. By taking the most beloved piece in your wardrobe - your jeans - and making them sustainable and circular, we believe we can revolutionize the fashion industry. MUD Jeans is grounded on a circular business model, meaning that the entire business, and how we manufacture our product, is focused on eliminating waste and creating positive society-wide benefits. The outcome is a beautiful high-quality product, with minimal environmental impact, and a positive community effect. In 2013 MUD Jeans introduced Lease A Jeans, a purchasing model that would free the consumer from responsibility and environmental anxiety of having a new pair of jeans. Instead, they are left only with the worry of "does my butt look good in these?". Through the lease concept, our customers can borrow our material in the shape of jeans and return it once they are done using it. Depending on the condition of the returned jeans, they are either upcycled or recycled and reincorporated into a new pair of jeans. Through this approach, no jeans end up in landfill and MUD Jeans slowly begins to incentivize a world without waste. Curious how we do this? Keep reading, we will reveal it all.

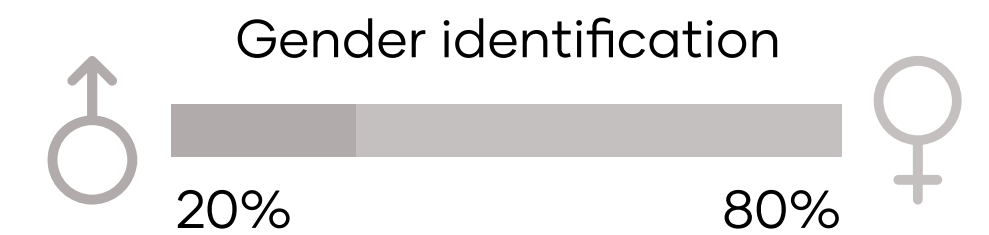


In a – Nutshell

Let's begin with some quick facts about MUD Jeans. We are a small, ambitious team based in the Netherlands with the ultimate aim of revolutionising the denim industry. We sell our jeans and spread our mission around the world.

- **15** team members
- **Eight** different nationalities
- **80%** of Team MUD is female identifying
- Headquarters in Laren, Netherlands
- Certified B Corp - using business as a force for good
- Carbon positive
- Almost **50.000** pairs of jeans sold in 2021
- 100% of MUD Jeans are produced by Yousstex International
- Our jeans are sold in **343** stores in **28** countries

8 Nationalities in MUD

 **343**
Stores



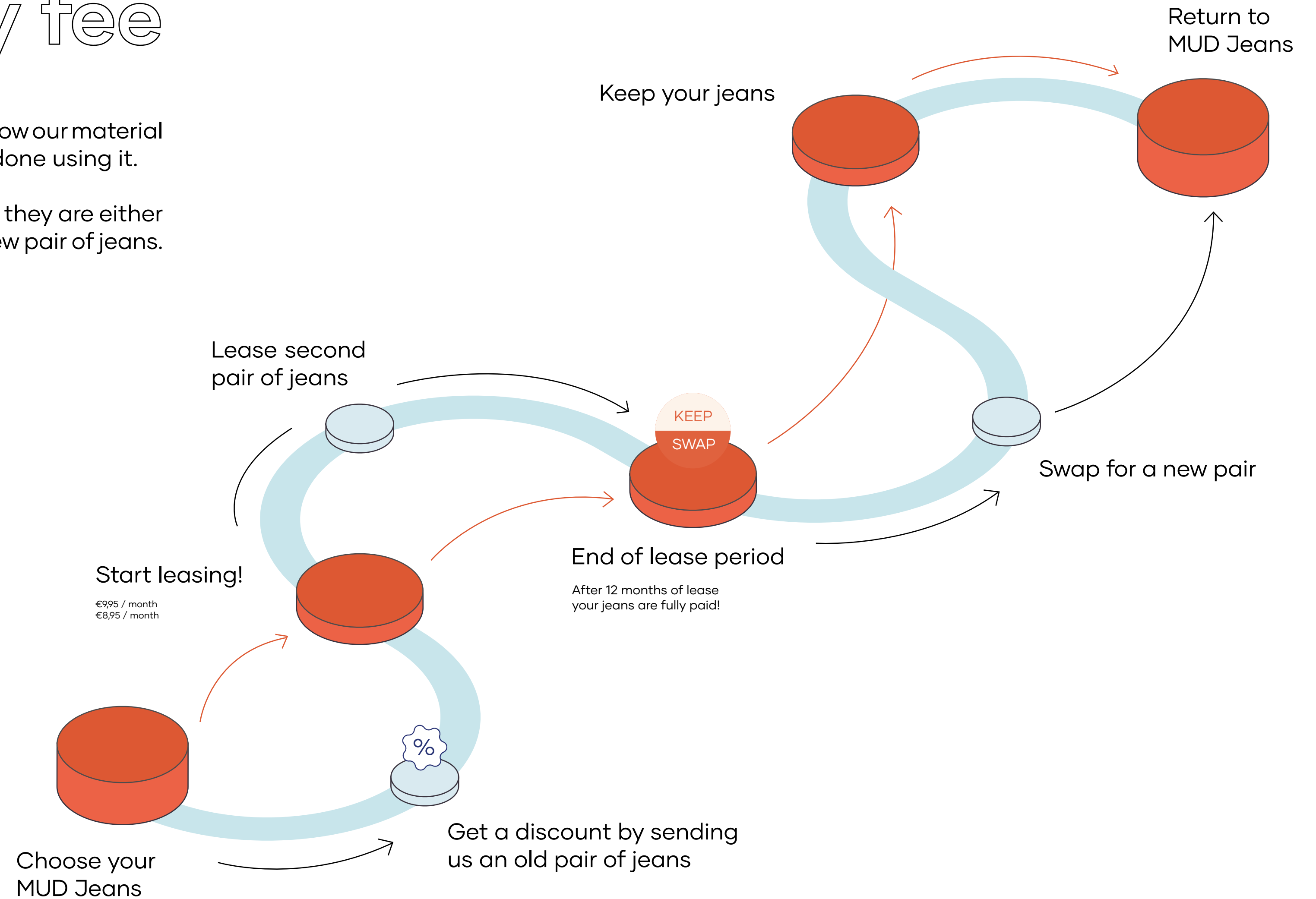
 **11.512**
Old jeans
turned into new
jeans.

Lease your jeans

— for a monthly fee

Through our lease concept, the customers can borrow our material in the shape of jeans and return it once they are done using it.

Depending on the condition of the returned jeans, they are either upcycled or recycled and re-incorporated into a new pair of jeans.



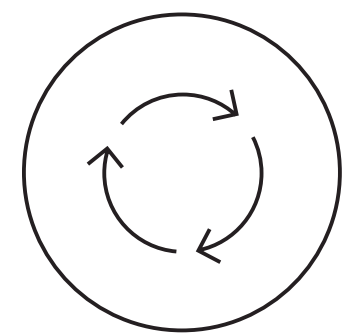
Our mission

— and strategy

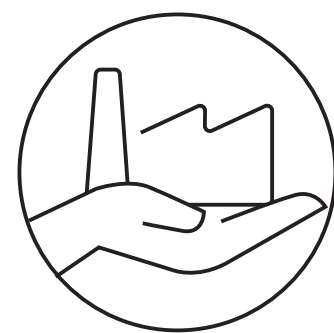
Our mission is for the fashion industry to be driven by circular production and conscious consumption. We pioneer with jeans, by taking positive action, being transparent and supporting sufficiency.

We believe that being mindful of nature and people is a necessity. We see a future in which our fashion industry finds a way of producing and consuming that does not stand in the way of our enjoyment of this planet, nor that of future generations.

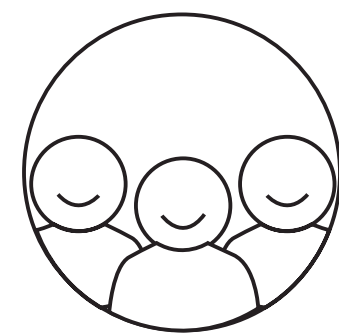
To radically change the fashion industry, we need a strategy. Ours is based on three pillars:



Circular Economy



Fair Factories



Positive Activism

Circular Economy

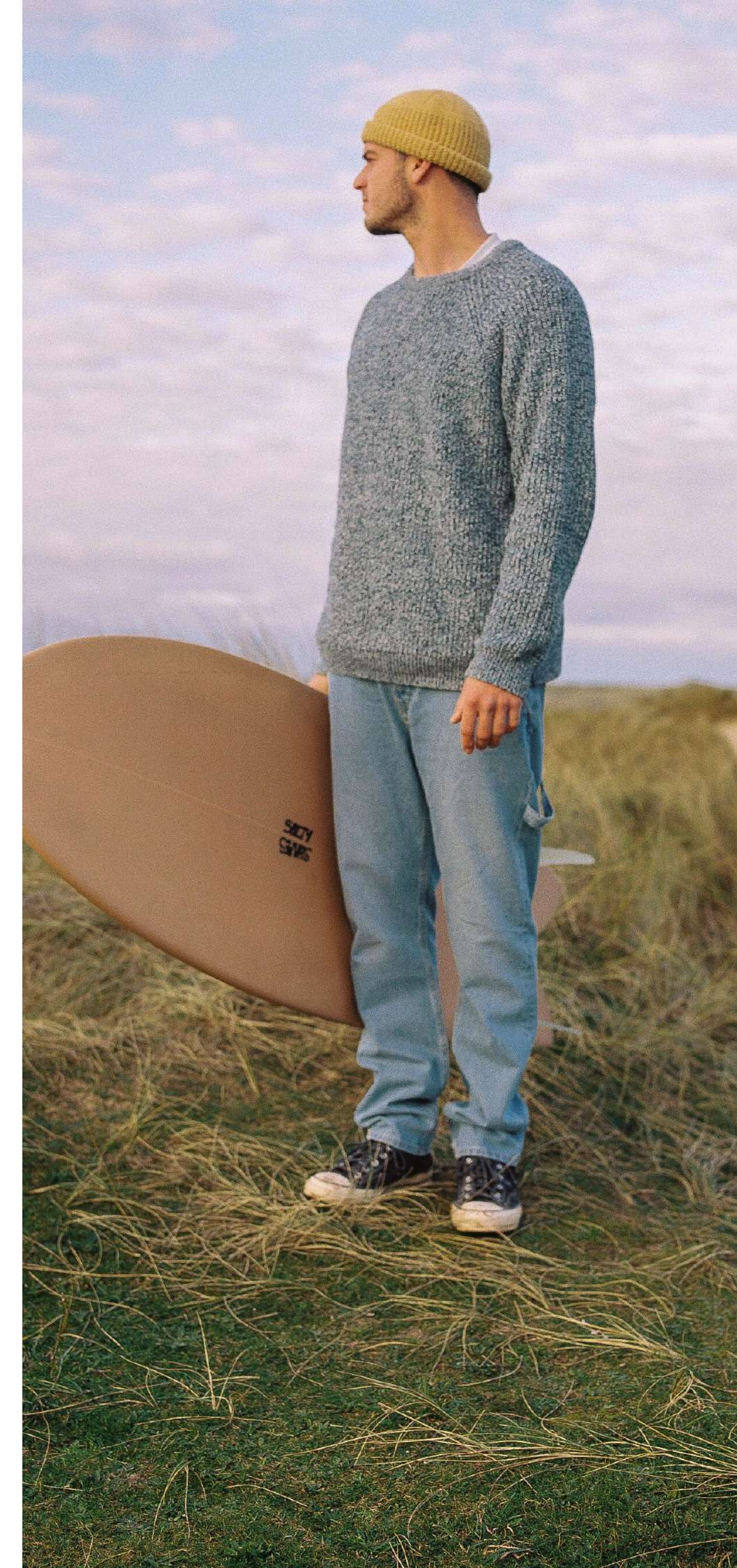
We take back our old jeans, and those from other brands, and recycle these to make new jeans from them. This is how we want to actively combat the huge landfill and resource waste problem within the fashion industry. We are also always busy improving our products and making them more sustainable both socially and environmentally. Our ultimate goal is to make our products 100% circular.

Fair Factories

Mr. Habib Ben Mansour, the owner of our garment factory and laundry Yousstex International, likes to say that we make noble products and we 100% agree with this. By producing consciously, we can directly create a safer and healthier working environment for our colleagues in the factories.

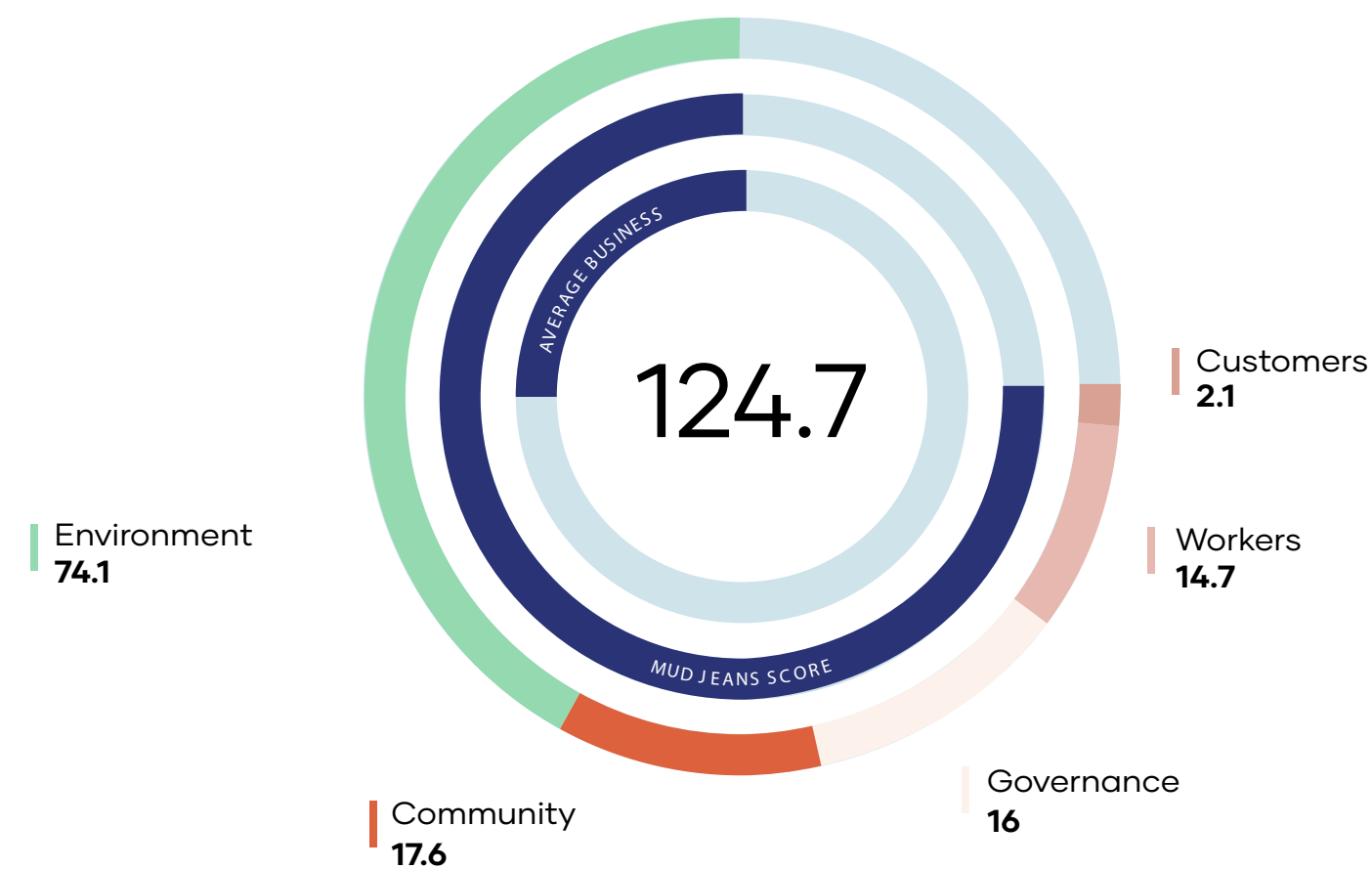
Positive Activism

Through our pioneering approach we are changing the status quo within the fashion industry. With a smile on our face, we tell you how our innovative production techniques will change the world for the better. By doing this, we inspire others to start walking the talk. With other brands joining us we can turn this walk into a march.



A proud — B Corp

B Corps are a new kind of businesses that balance purpose and profit. They aim to use their business as a force for good. All B Corps are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment. To become a B Corp, a company is assessed on their overall positive impact based on these criteria. Only if the company scores above 80/200 can they call themselves a B Corp. MUD Jeans has been a proud B Corp since 2015. In 2020 we completed our reassessment, hitting 124.7 points. And in 2021, we were recognised as “Best for the World” for our environmental performance, meaning our score was in the global top 5% in this category!



— Stakeholders

We work hard to foster strong relationships with all our stakeholders who share our values and vision for the fashion industry. With customers, we make sure to always be in contact via mail, social media, blog, newsletters, and events. We make sure to provide our retailers with options that reflect their needs and don't encourage overpurchasing. With our supply chain partners, we work collectively to create a better fashion industry.



— Awards

- Change in business Award - **2013**
- Circle Challenge by Circle Economy - **2013**
- Vegan PETA award - **2015**
- Sustainability Leaders Awards - **2015**
- B Corporation Best for the World Environment Honoree - **2015, 2016, 2018, 2021**
- Nominated Koning Willem I Plaquette - **2018**
- Finalist at Circular Awards - **2020**
- B Corp - BIA Improvement Award - **2020**
- ABN AMRO Sustainable Retailer of the Year - **2020**



Our — Partners

Change cannot be made alone. For this reason, we have partnered up with a number of organisations in 2021. This allows us to reach a wider audience and create a bigger positive impact. Through our collaboration with IKEA, for example, we have created a circular denim cover for their iconic Klippan sofa. Each sofa cover is made from organic cotton and, most importantly, two pairs of recycled jeans.



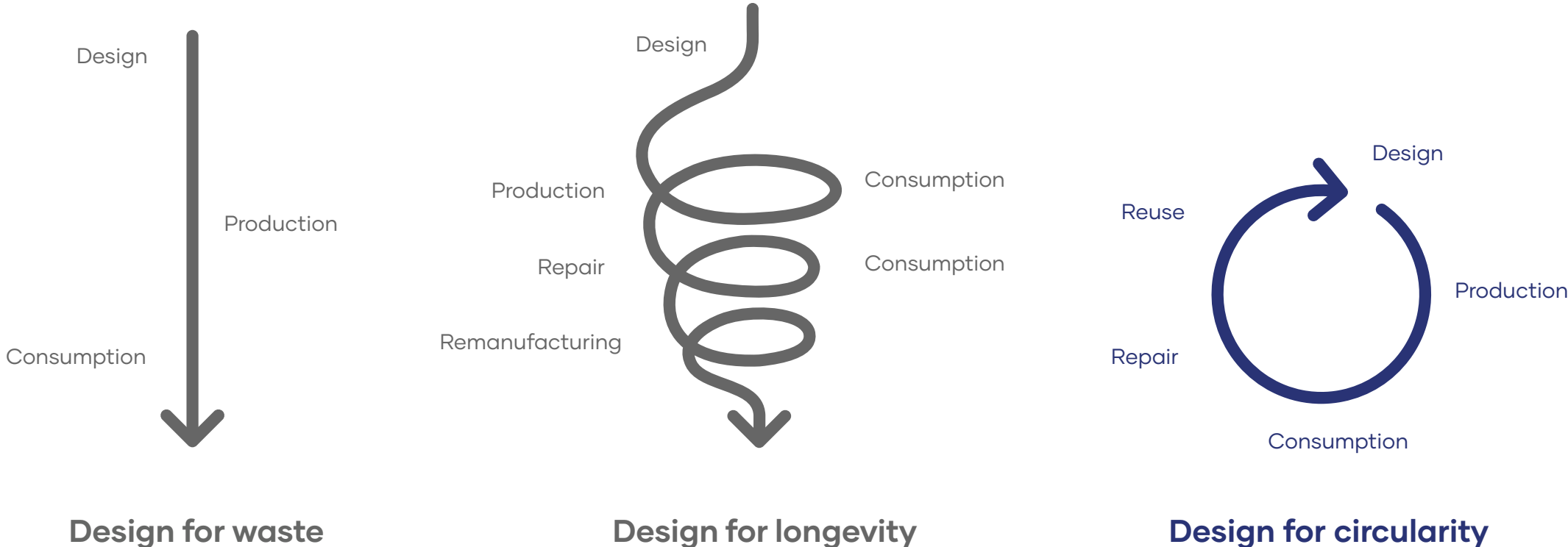
**SOCIAL & LABOR
CONVERGENCE**



Circular – Economy

Circularity is at the core of MUD Jeans' business model. We design, produce, and sell keeping this model in mind. 100% of all our styles are circular.

A circular system aims for a continuous use of resources, while slowly designing out waste. A linear economy just focuses on producing, using and throwing away. In a circular economy, you apply methods such as reuse, sharing, repairing recycling. This extends the life of the product and eventually closes the loop by using the same materials again and again. Through this method you are minimizing the use of new raw materials, as well as the creation of waste and pollution. Circularity is the most effective and sustainable approach to fashion.



How is MUD Jeans – Circular?

Each section of the diagram on next page is an important step in making a pair of circular MUD Jeans. We think very carefully about the material we use, how we design the jeans, who we work with and how we sell our product. When all the steps come together, the outcome is a pair of jeans that is high quality, stylish, and limitless in life and potential. These jeans will live many lives.



Circular Design

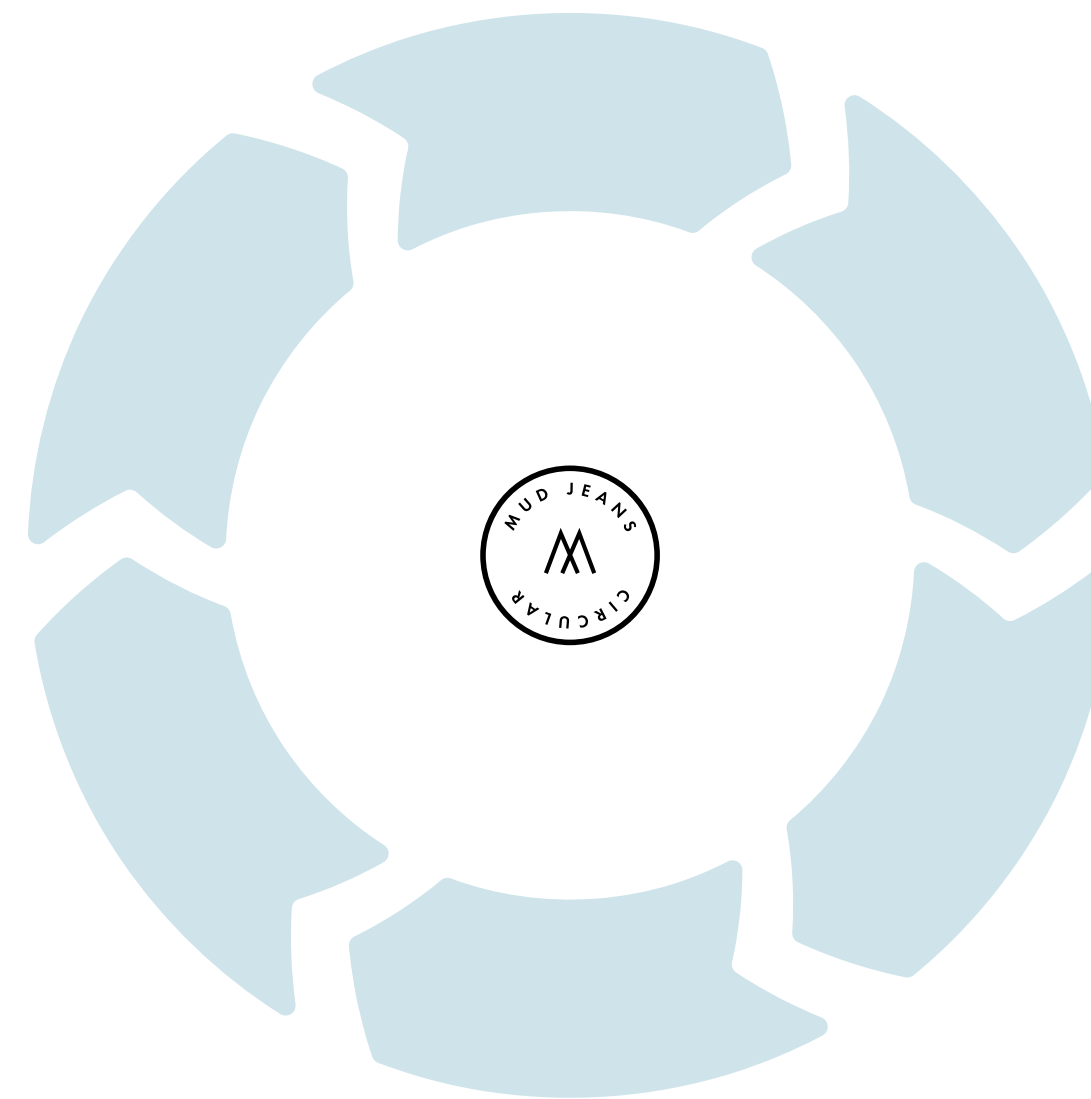
Design controls how the product is made - how it lives, but also how it dies (dramatic, we know!). To be a circular brand, you need to think of all of these stages. After all, you want a high-quality pair of jeans, that lives a long time, but that can also be easily recycled and reincorporated into production. At MUD Jeans we do this by keeping it simple. We work with ten different fabrics, one button, one rivet and one zipper. We have substituted the leather patch with a non-toxic printed-on version. Most of our jeans are made from one of two fabric compositions. One rigid fabric made with 40% post-consumer recycled cotton and 60% OCS certified organic cotton. And one stretch fabric made from 23% post-consumer recycled cotton, 2% elastane and 75% OCS certified organic cotton.

Recycle

All good things must end, they say. Not for MUD Jeans. The life of a MUD Jeans never ends, it just restarts. When the jeans are no longer in good condition, they are sent to be recycled. In this process the jeans are shredded into fibres and remixed with fresh, organic cotton, in order to make new yarns. And so, the cycle begins again.

Upcycle

The elimination of waste is a key component of a circular business. MUD Jeans takes responsibility for the end of life of its jeans and prevents them from turning into waste. When the jeans are returned to MUD Jeans, we review them to check their condition. As the saying goes, one man's trash is another man's treasure. Therefore, jeans that are still in good condition are washed and mended and sold as vintage. Once again, it's all about extending the life of our product.



Repair

All of our customers are given access to a free repair service during the first 12 months of their lease. Through this approach, we encourage our customers to value and take care of their jeans. A simple repair can extend the life of the product by a few months or even years. This has a tremendous positive environmental impact, as it conserves the original energy that went into making the product in the first place.

Production

We maintain a very small supply chain. We work with four main supply chain partners. By having a small group of partners, we can foster better collaboration and innovation. It also gives us greater control over the making of our jeans. With a short supply chain, we know exactly who is making our jeans, and how, and under what conditions.

Lease a Jeans

MUD Jeans is unique for its Lease a Jeans model. Our customer can lease a pair of jeans for 12 months for €9.95 per month. After 12 months, customers can either keep their jeans or send them back to us for recycling. Through this model our customers are able to enjoy the experience of owning a new pair of jeans, without the environmental anxiety. As a brand it gives us the opportunity to take responsibility over the end of life of our product. Purchasing a pair of jeans in full is of course an option. Both leasers and buyers are given a discount when they return an old pair of jeans with their new purchase.

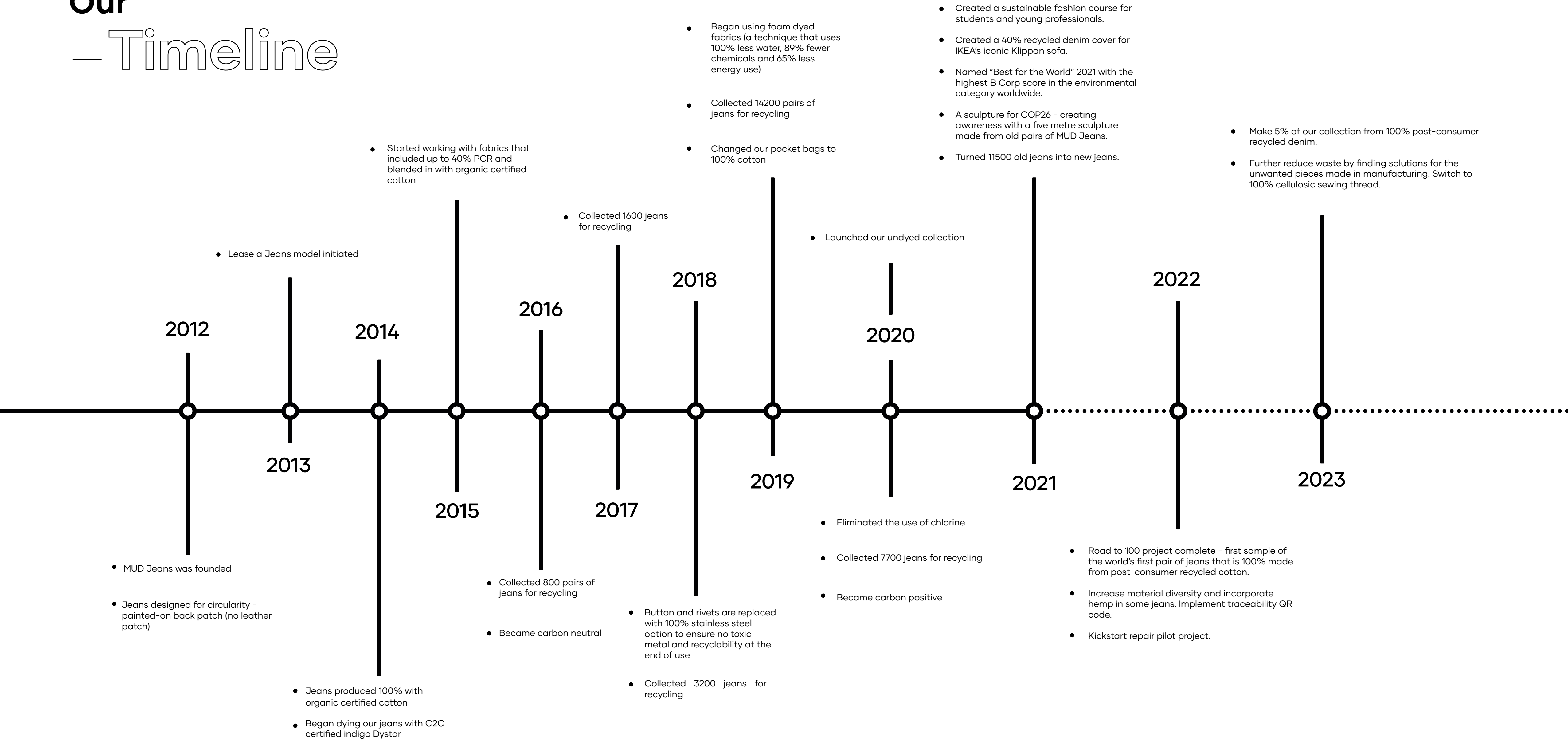


The MUD Jeans

— Sustainability journey

Circularity is a journey. Every step is about finding ways to use materials more effectively. The objective is to build a system where materials can be reused over and over and to eliminate the creation of waste. MUD Jeans is the world's first circular denim brand, and we started our journey back in 2012. As pioneers we hold a responsibility to share our knowledge and to always strive for improvement.

Our Timeline



Transparency and — Traceability

Transparency and traceability are key cornerstones to building an honest brand. More than ever, brands and companies have a responsibility to society, to the environment and to their own customers. MUD Jeans has full traceability of every item that goes into the making of our jeans. This means that we know where our materials come from, and who is making our jeans.

MUD Jeans is unique for the direct relationship that it holds with its four main partners (Recover, Ferre, Tejidos Royo, and Yousstex International). MUD Jeans frequently visits the factories, works closely with them, and works hard to foster supportive partnerships. This not only creates trust and solidarity, but also breeds innovation! Check out the map on the right, here you can see the location and name of each one of our material suppliers.

Traceability and transparency keep us connected to the materials and the people that are involved in making our jeans



Raw Material: OCS certified organic cotton, Turkey & India

Recycled Fibre: Recover, Spain

Yarn: Ferre, Spain

Fabric: Tejidos Royo, Spain

Fabric: Bossa, Turkey

Stitching & Laundry: Yousstex International, Tunisia

Sewing Yarns: Cucirini RAMA, Italy

Cotton Labels: Audeo, Tunisia (2021)

Buttons & Rivets: BERNING, Germany (2021)

Zippers: YKK, Tunisia

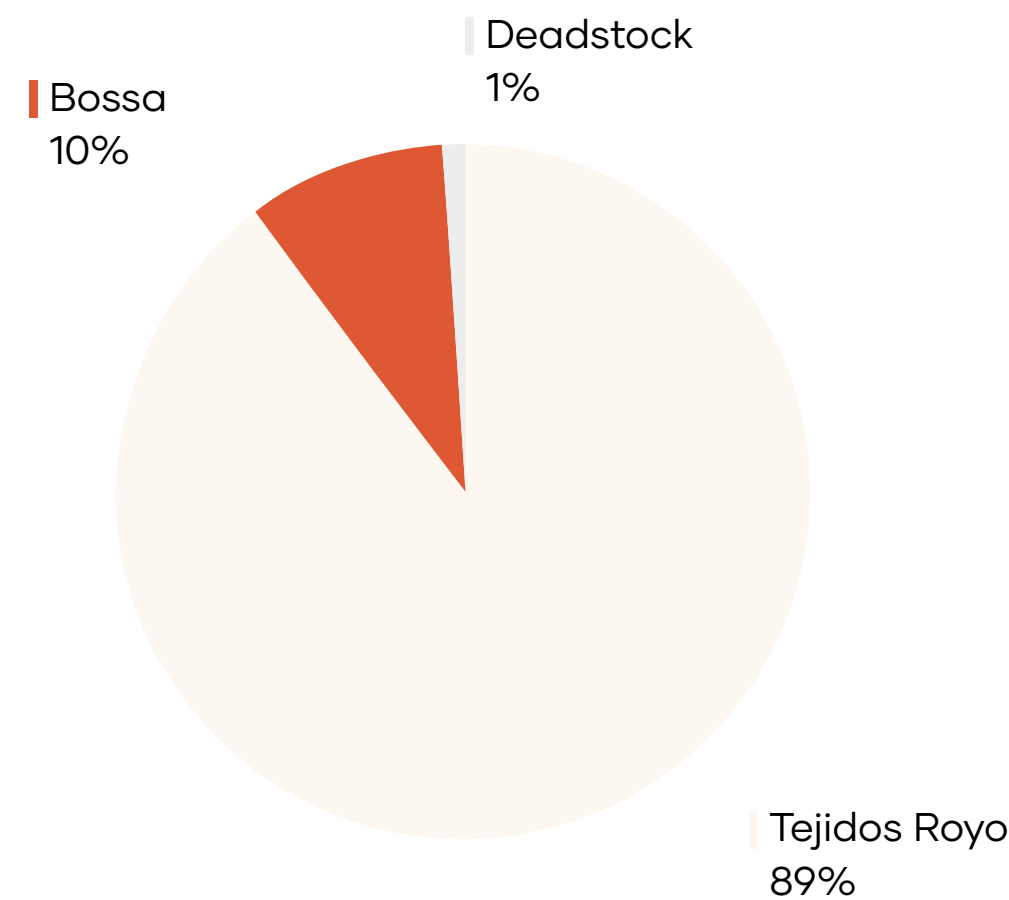
Wash & Care Labels: Etic Europe, Tunisia

Material

— Transparency

It is important for us and for you to know exactly what goes into the making of your MUD Jeans.

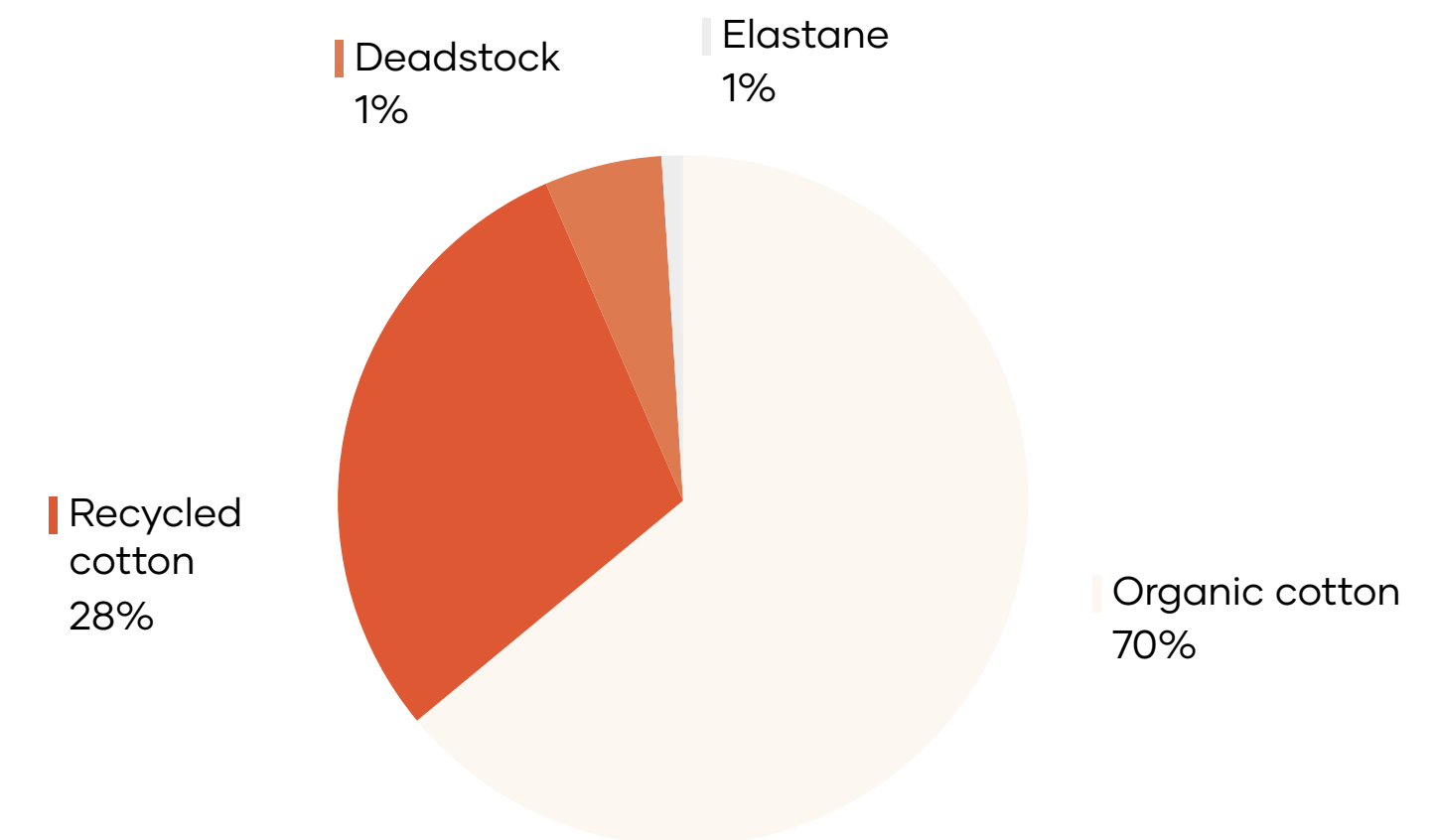
100% of all our styles are circular. The journey of a pair of MUD Jeans starts with a cotton bulb in Turkey or India. This cotton travels to Spain and is blended with recycled fibre that is produced by Recover. Ferre spins these fibres together to make a new yarn. The yarn is taken to Tejidos Royo where its dyed and woven into a fabric. This is the fabric process for 89% of all our jeans. 10% is produced by Bossa. The story is much the same, the only difference is its location. The cotton, the spinning and weaving all takes place in Turkey. All fabrics travel to Yousstex International where they are transformed into individual pairs of jeans.



1% of our fabric is what they call "deadstock". This was old fabric that was unwanted and forgotten. We took it and made sure it was used to its full value.

99% of our fabrics use OCS certified organic cotton and GRS certified recycled cotton. We use top sustainable and high-quality products. Our focus is keeping the use of materials monogamous to cotton (or other cellulose-based fibres). This ensures that our jeans can easily be recycled and reincorporated into production. In 2021 our total production consisted of 70% organic cotton and 28% recycled cotton. We had some styles with a small amount of Tencel, but this was less than 1%. The final 1% is the use of elastane to make some of our jeans stretchy.









Working with recycled cotton is not easy, but we push limits and demonstrate that it can be done. 97% of our jeans contain recycled content, 32% of which are made with 40% post-consumer cotton.



Material Health & — Responsible Chemistry

The materials that are used in the making of a product shape greatly the impact that it has on people and the planet. There is always a choice in the materials that are used. At MUD Jeans we carefully select materials that are non-toxic, natural, and sustainably produced.

As a small brand, we rely on certification to help us ensure that the above-mentioned standards are met. We know that the world of certification is a labyrinth, so here is an overview of the certificates we use and what they stand for.

Certificate	What it stands for	Recognizable symbols
Organic Cotton: Organic Cotton Standard (OCS)	This certification means that the cotton was produced with no insecticides or pesticides, and that it is therefore organic. Because we blend our organic cotton with recycled cotton, our fabrics have the OCS Blended certificate.	
Recycled Cotton: Global Recycled Standard (GRS) OEKO-TEX Standard 100	These certifications help us ensure that the recycled content does not contain any harmful substances. GRS specifically also makes sure that the materials are traceable and produced with social and environmental standards.	
Buttons & Rivets: OEKO TEX ISO 14001 & ISO 19000 Certified	These certification ensure that no harmful substances are used in the making of the products, and that they are produced with environmental management policies.	
Indigo Dyestar Dye: Cradle to Cradle Certified	This certification is given to products that are designed to mimic nature's cycle for the end of life. Therefore, this product can either be fully recycled, upcycled, or broken down to return to the earth without harm.	
Dry Indigo: Aitex	Aitex is a private research association where they carry out testing and certification of textile articles. Their certification shows you how much water, energy, and chemicals are used in a particular method or materials.	
Paper Labels: Cradle to Cradle Certified	See Dyestar Dye, above.	
Zippers: ISO 9001, ISO14001, ISO/TS 16949 OEKO-TEX Standard 100	These certifications ensure that the product is produced with high quality standards, environmental standards, and with no prohibited chemicals.	
Packaging: FSC Certified	This certificate ensures that the raw material used to make our packaging boxes come from responsibly managed forest.	

Chemistry – of things

It has been estimated that 8,000 synthetic chemicals are used in the fashion, textile, and shoe industry to turn raw materials into products. This includes carcinogens and hormone disruptors. These chemicals harm the environment, biodiversity, but also the people that must come in contact with them.

However, not all chemistry is bad chemistry. Everything is made of chemicals; this includes the skin on your body and the coffee you are drinking. The key is in responsibly selecting the chemicals used. MUD Jeans consciously ensures that no toxic chemicals are used in the making of our denim. Between 2018 and 2020 all MUD products have been certified by the Nordic Swan Ecolabel. This certification reviews all items and procedures and confirms that we only use non-harmful, biodegradable chemicals. In 2021, we have implemented a new and improved chemical policy based on ZDHC guidelines. ZDHC stands for Zero Discharge of Hazardous Chemicals - something we want to stand by. And we are extremely proud that all of our supply chain partners are compliant with this approach.

MUD Jeans is also unique for the elimination of PP spray, chlorine and stone washing from the production process. Instead, we use innovative techniques such as laser and ozone to achieve similar effects. These techniques are not only better for the environment, but also for the health of our colleagues that work at the factories and make our jeans.

What's in our – Packaging?

Much like our jeans, we keep our packaging simple and sustainable. The cardboard used for our packaging is FSC certified and contains 72% recycled content. We say no to waste and all things plastic. Thanks to the state-of-the-art facilities of our logistics partner, all jeans are boxed based on size. Upon opening your MUD Jeans delivery, you will find only the essentials, meaning your jeans and relevant documents.



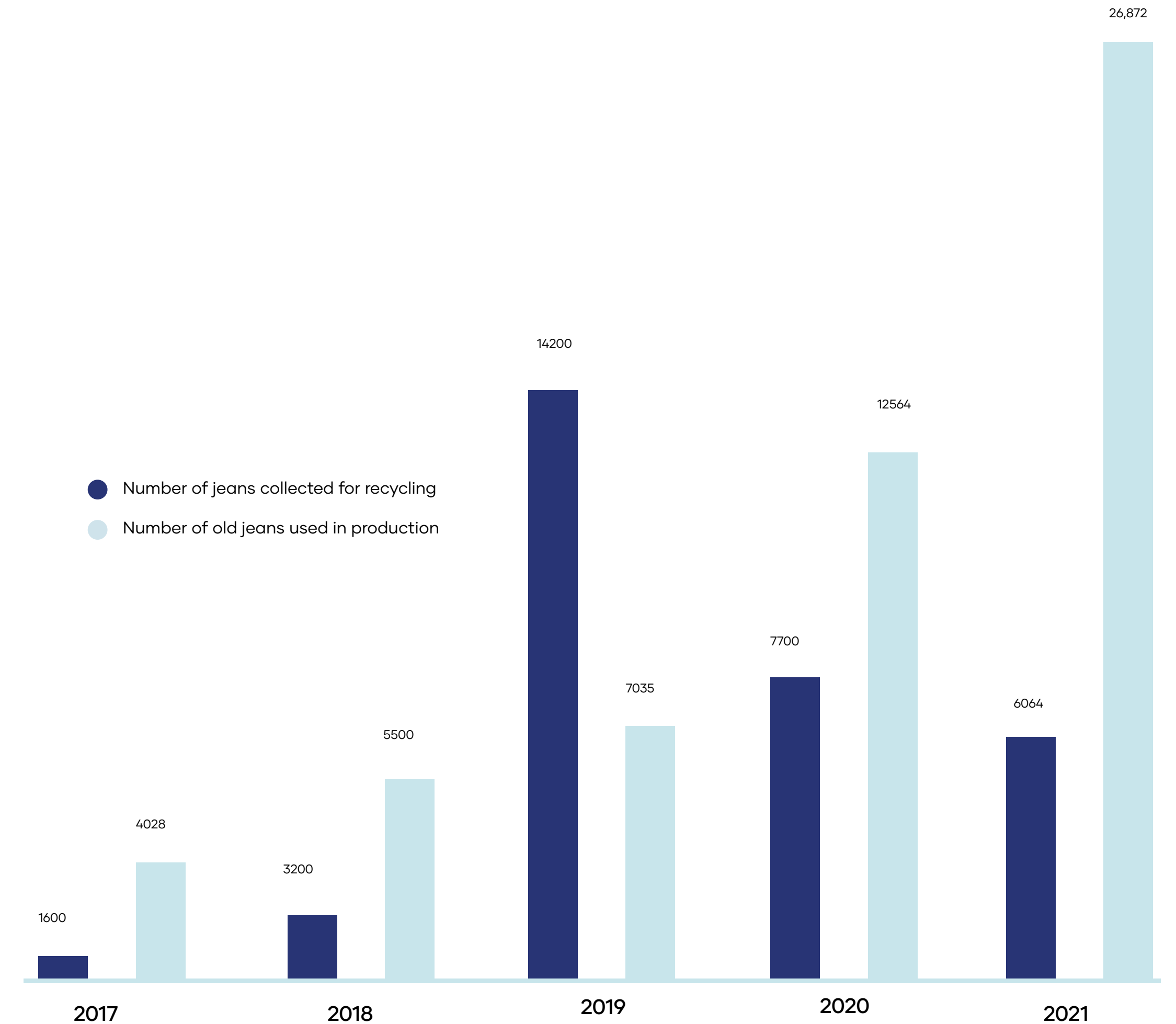
Zero — Waste

Globally, an estimated 92 million tonnes of textile waste are created each year. While this has a significant environmental impact in itself, our planet is also unable to regenerate its resources fast enough to keep up with this linear approach of consumption (take, make, waste). Earth Overshoot Day marks the day that all resources our planet can regenerate in that year are used up. In 2021, this day landed on July 29th.

This is why we also utilize waste from other streams than our own MUD Jeans. Customers can send in old jeans from other brands as long as they are 96% cotton and use external, locally collected denim waste through our recycling partners. This means we currently recycle more waste than what comes out of our own production. By combining these sources, we are able to recycle quite a number of old jeans - see in the figure on the right.

Through our circular model, MUD Jeans eliminates the creation of waste. As a brand, we take responsibility for the end of life of our product and reuse the resources that once went into it. We can make sure that our old jeans come back to us for recycling through our Lease a Jeans Model, which ensures the continuous use of our valuable raw materials. We aim to conduct a business that respects natural resources and functions within the boundaries of the planet.

Waste is not only created at the end of life of the product, but also across the entire production process. These can be the leftovers of chemicals, scraps from production, and unwanted pieces that did not meet the criteria for sale. At MUD Jeans, we make sure to keep an eye on these forgotten waste streams too. Currently the 12.5% of fabric loss that is created in production is collected and resold to be used as stuffing. The chemical sludge and oil waste that is produced at Yousstex International is monitored and collected by a Tunisian government agency. In the future, we want to further improve our knowledge about the waste in our production process so that we can find ways to further decrease and eliminate it.



MUD Jeans customers participate in our circular business by sending us their old jeans for recycling. We don't only accept pre-loved MUD Jeans, but also other brands, as long as they are 96% cotton.

A Second – Chance at Life

Extending the life of your clothes from one to two years reduces its emissions impact by 24%. We empower our customers to be able to make this choice through our repair service and vintage collection scheme. All customers receive a free repair service during the first 12 months of their lease.

Our vintage scheme is provided to all our customers that send back pre-loved MUD Jeans. The returned jeans that are still in good condition are washed and resold in our vintage collection. Because, while recycling is great, the first step should always be to reuse when possible. Our vintage jeans are sold at special events, such as our annual Blue Friday event. In 2021, we once again turned Black Friday blue and closed our online shop. Instead of promoting excessive consumption on this day, we invited our customers to shop our vintage collection. This time we were able to find a new home for 165 pre-loved jeans!



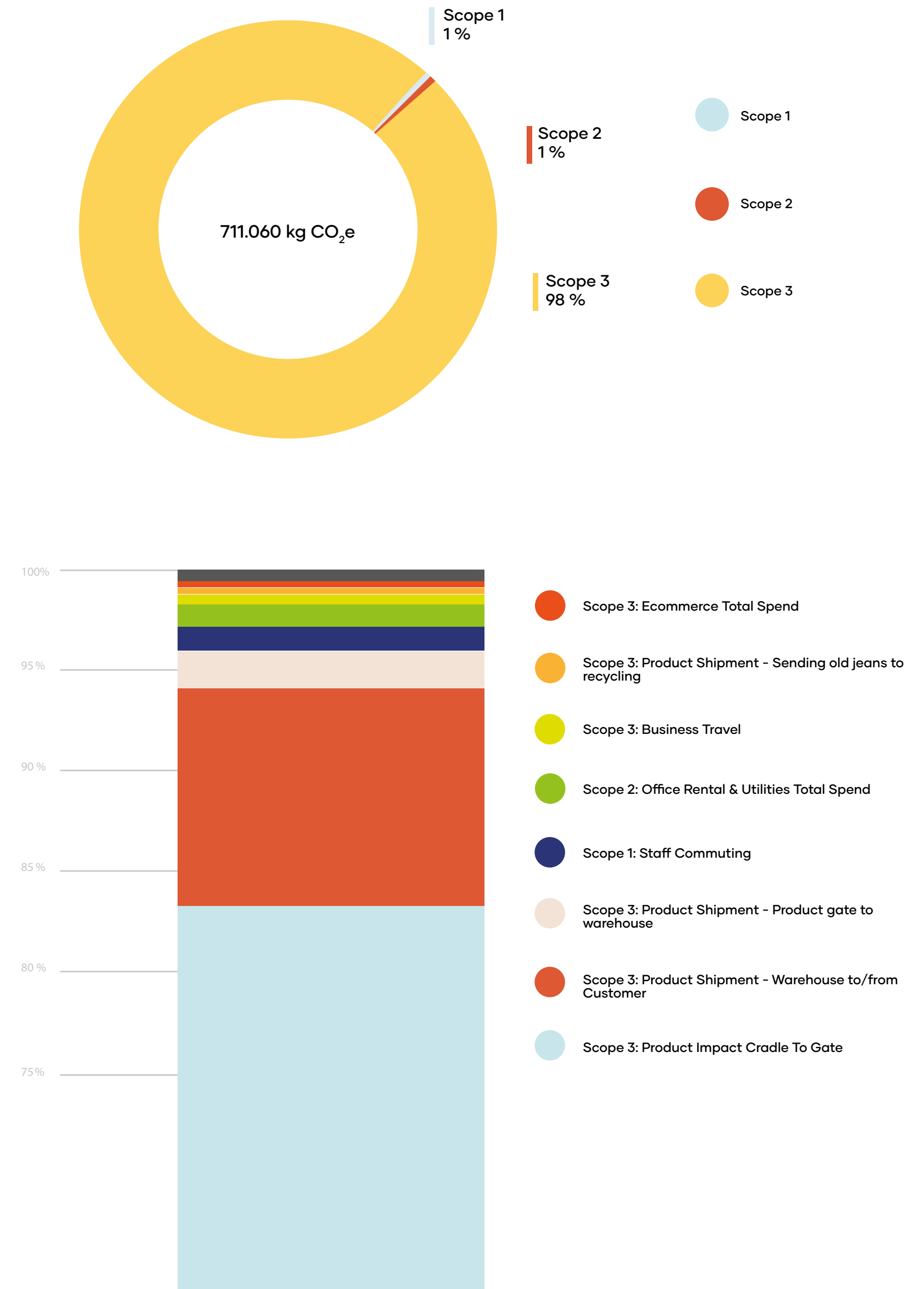
The Impact

— of a Pair of MUD Jeans

As seen in the transparency and traceability section of this report, many people and locations are involved in the making of a pair of MUD Jeans. This can make it tricky to count and calculate the impact of production, and of the whole brand. Impact calculations are commonly split into: Scope 1, Scope 2, and Scope 3. Scope 1 emissions are those that come directly from activities owned or controlled by the organization, such as own generator or car transportation. Scope 2 emissions are indirect, from purchased energy such as heating and electricity. Scope 3 are indirect emissions that take place at third party locations of businesses and services we have purchased, such as the making of the jeans, and the delivery service.

At MUD Jeans, we offset our impact across all three scopes. With the help from the One Carbon World grant we refreshed our calculations in early 2021 to reflect our current business structure. We are a small company, and so most of the impact is in scope 3. The impact calculations of our products is renewed every year with our Lifecycle Analysis. You can find out more about this on the next page.

Since last year, our CO₂ emissions as a company have increased. However, as you will see on the next pages below, the CO₂ impact of our products has actually decreased. Confusing? Let us explain: While we are able to consistently lower the CO₂ impact of our jeans, selling more jeans also means having a higher CO₂ impact as a brand. Our hope is that with every sale of a pair of MUD Jeans we replace the sale of a less sustainable jeans. As our sales increase, this may then increase our company emissions but decrease global emissions.



Taking a — Closer Look

In 2021, we published a brand new LCA in which we updated all impact calculations of our products. We were proud to see an improvement in our production impact from cradle to gate (meaning, from cotton to final jeans) yet again.

Over the years we have been sharing our impact overview and this year we are focusing on two key areas: water and CO₂.

Water

On average, a pair of MUD Jeans uses 393 litres of water (2021 LCA). Between 2020 and 2021 we have **reduced our average water impact by 17.6%**.

The industry standard uses 7000 litres to make a pair of jeans. Compared with this, a pair of **MUD Jeans conserves 94.4% water**.

In 2021, **we conserved 311 million litres of water** in comparison to the industry standard. In the past six years, that has accumulated to 1.1 billion litres of water, **the equivalent of 455 Olympic-size swimming pools**.

In the standard denim industry, water consumption and toxification is one of the biggest areas of impact. MUD Jeans uses zero toxic chemicals and thanks to the innovative production techniques of our supply partners, we can produce jeans with high water conservation standards.

Tejidos Royo has two wastewater treatment plants which thoroughly clean the water that is used in production before it is returned to nature. They have also invented a new way of applying dye to the yarn called Dry Indigo. This **foam dyeing technique uses 99% less water, 86% less chemicals and 65% less energy**.

Yousstex International recycles 95% of the water used through a process called reverse osmosis. The 5% that typically evaporates is replaced with rainwater.

Last year we also set some water conservation targets. We aimed to reduce the average water impact by a further 5%. We are very proud to see that we have not only met our 2021 objective but surpassed it!

CO₂

On average, a pair of MUD Jeans uses 5.9 kg of CO₂eq (2021 LCA). Between 2020 and 2021 **we have reduced our average CO₂ impact by 3.2%**.

The industry standard uses 23.45 kg of CO₂eq to make a pair of jeans. In comparison, a pair of **MUD Jeans avoids 74% of CO₂ impact**.

One of the biggest drivers of CO₂ impact is energy consumption. Our supply chain partners show true initiative in this area. **Recover and Ferre use 100% renewable energy in their production** and Tejidos Royo is energy self-sufficient through its cogeneration station.

MUD Jeans has been carbon neutral since 2016 across scopes 1, 2 and 3. Since 2020 we are also carbon positive. This means that we offset more CO₂ than the amount that we emit as a company. MUD Jeans neutralises its impact by retiring carbon credits from the Teni Wind Farm project (supported by BLUEdot). Each carbon credit is a certificate that credits the prevention or removal of one tonne of CO₂ and other greenhouse gases from our atmosphere.

In addition, we work together with the international non-profit Justdiggitt to become carbon positive. Justdiggitt wants to cool down the planet by regreening degraded land. One way in which they do this is by helping forgotten tree stumps come back to life. One by one they begin to grow and rebuild the semi-arid areas. The restored trees can then retain water and capture CO₂. For every pair of jeans returned to us for recycling, we have donated the equivalent needed to regrow one tree in Dodoma, Tanzania. **Together with you, we have been able to fund the regrowth of 1,512 trees in 2021!**

MUD Jeans has also made a public commitment to reach net zero emissions. With this, we join the global movement to reduce emissions in line with the Paris Agreement. Because we are already carbon neutral, our commitment means reducing our own impact as much as we can. Each year we review our previous targets and continuously innovate with our supply chain partners to reduce our carbon impact.

Last year, we aimed to reduce the CO₂ impact of our jeans by 5% in 2021. With a reduction of 3.2% we came close but did not quite reach our target. Through a close analysis of this year's impact results, we hope to be able to achieve a bigger improvement next year.

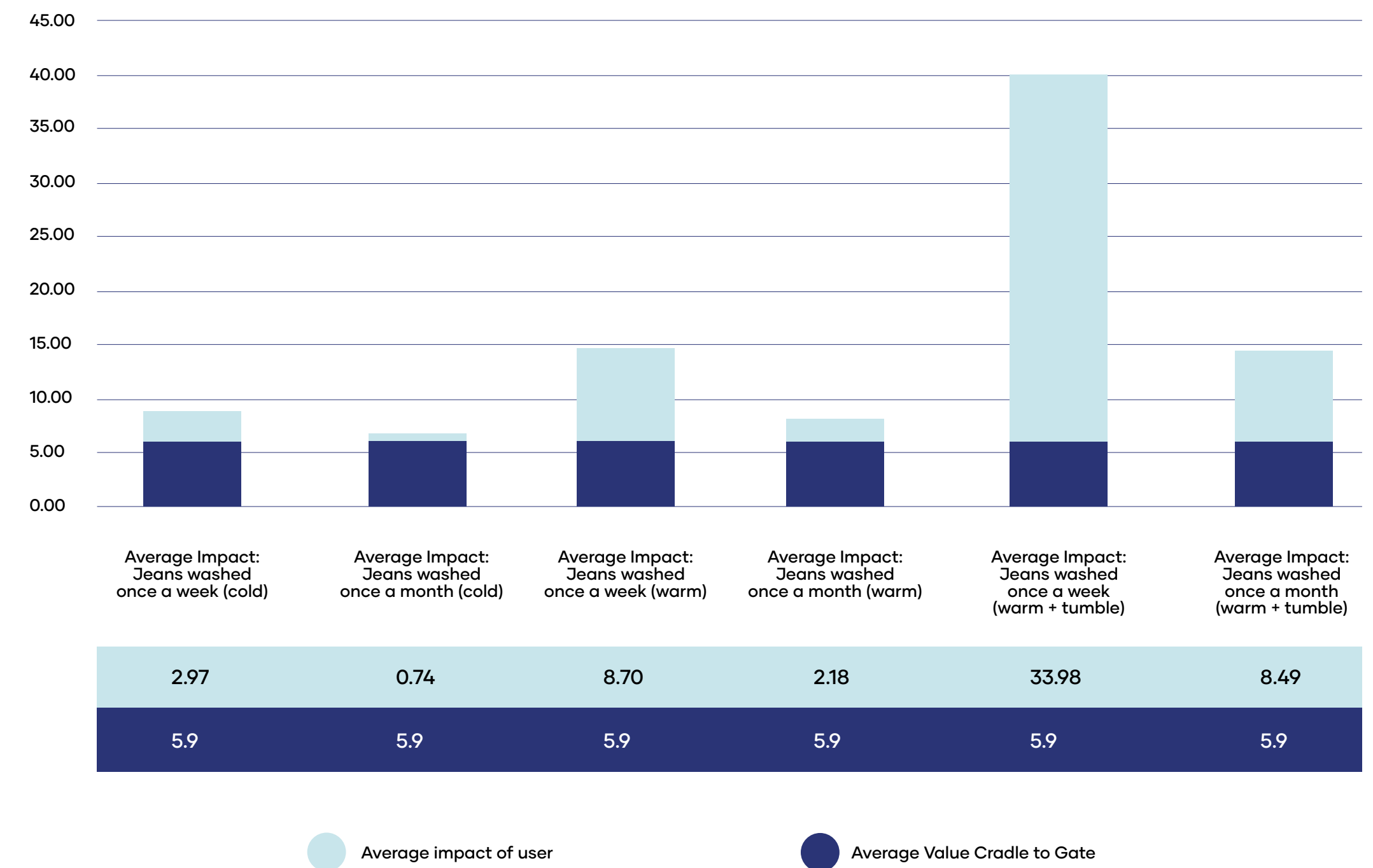
It Takes

— Two to Tango

We all have a role to play in the battle of climate change. MUD Jeans takes its role seriously and works hard to continuously lower the impact of our products. However, we cannot control the impact of our jeans once they leave the warehouse. From here the baton is passed to our customers where they decide the impact of their jeans. Through our labels and our website we carefully advise how to care of their denim in the most sustainable way. In the 2020 LCA, we developed impact scenarios to help visualize these choices.

The results are astounding. Washing your jeans at 30 degrees and line drying them is the best choice. Naturally the more times you wear them before washing them the better. The difference in CO₂ impact between a cold wash and washing your jeans and tumble drying them ranges between 53-77%.

In the one year lifespan of a pair of MUD Jeans, each customer can contribute 15-75% to the CO₂ impact of their jeans. How you take care of your clothes matters.



The Road to —100

The [Road to 100 Project](#) is all about pushing the limits of circular denim. The aim of the project is to make a pair of jeans from 100% post-consumer recycled denim. Why? Around the world, a truckload of textiles is landfilled or incinerated every single second while our planet is unable to regenerate its resources fast enough. This is our attempt to directly combat the textile waste and resource consumption problem within the fashion industry. The outcome of this project would allow us to make new jeans without using any new cotton, only continuous use of resources. That's a big circular step!

This project began in 2019 and we completed the first pilot testing in 2020. In 2021 we began the second pilot tests. We were hoping to have the first sample ready by the end of 2021, which wasn't possible in the end. (Spoiler alert: this was indeed achieved in early 2022, the time that this report was written!) This project is carried out in collaboration with Saxion University and funded by Tech for Future. The main contributor of mechanically recycled fibres is Recover. This project holds huge environmental potential and our ultimate aim is to gradually increase the amount of 100% post-consumer recycled jeans in our collection. Doing a rough LCA estimation, we expect the R100 fabric to reduce CO2 emissions by 23%, and water consumption by 76%! These are of course just estimates. We can't wait to crunch the real numbers soon.



Keeping track of our —Circularity Goals

This is an overview of our ongoing goals. We have also identified a few additional ones for 2022:

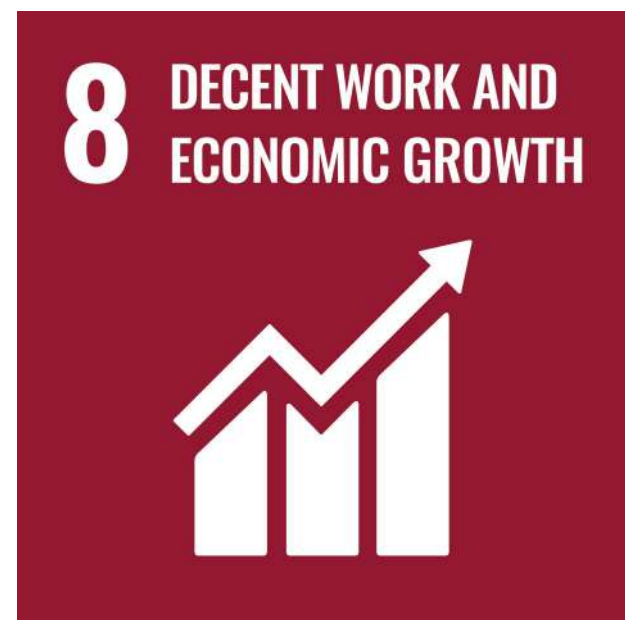
- Switch to recycled elastane for our stretch denim.
- Identify second choice (faulty) denim from our garment supplier Yousstex International and find alternative uses for this.
- Investigate our return rate and begin looking for ways to reduce this.
- Investigate possibilities for us to offer more repair options.

Goal	Achievements	Future Action
100% of all components of MUD Jeans designed for recycling.	Our recycling partner Recover can now efficiently remove buttons and zippers from the jeans. However, we are still looking into optimal ways to recycle/reuse these.	Look into optimal recycling/reuse options and investigate the option of buttons which can be removed without cutting.
Achieve the first fabric sample made from 100% post-consumer cotton by the end of 2021.	Success! The next challenge: creating a jeans sample from the 100% recycled fabric.	By 2022 we aim to have the first jeans sample made from 100% post-consumer recycled denim available.
Extend the dry indigo dyeing method to more fabrics. This method saves 100% of water, 95% of chemicals and 80% of energy within the dyeing process.	Success! We have increased the number of fabrics from 2 to 3.	Dye even more fabrics with the dry indigo method!
Plant 10,000 trees through our partnership with Justdiggitt. For every recycled pair of jeans, we aimed to donate the equivalent needed by the NGO Justdiggitt to regenerate one tree.	Success! In 2021 we turned 11,512 old jeans into new jeans, meaning 11,512 trees could be regenerated! This helps Justdiggitt in their mission to regreen Sub-Saharan Africa.	We want to maintain our partnership with Justdiggitt and keep regenerating more trees.
Develop a new MUD Jeans chemical policy	Success! We now have a new chemical policy based on ZDHC (Zero Discharge of Hazardous Chemicals) principles. All of our supply chain partners are in compliance to this.	Ensure that partners remain in compliance and keep improving the policy if necessary.
Full traceability per product through a supply chain transparency QR code.	We hoped to finalise this in 2021 which wasn't possible. But stay tuned for this in 2022!	Finalise this in 2022.
Begin to measure other areas of waste within our supply chain and find solutions.	Because of the above transparency goal, on top of our annual LCA, we were asking a lot from our supply chain partners in 2021. We have created surveys on this and will be sending them out in 2022.	Send out waste measurement surveys in 2022 and look into options to reduce waste further.
Support Yousstex International in implementing renewable energy in its production.	This proved to be more difficult than we thought. Receiving a permit for solar panels is not the easiest/fastest process in Tunisia but we are working on it.	Make progress on this project and perhaps reach out to an external agency for additional advice.

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are the world's to-do list to achieve a better and more sustainable future for all by 2030. Adopted by 193 countries in 2015, the 17 goals measure our progress towards ending poverty, protecting the planet, and ensuring that people have peace and prosperity. MUD Jeans proudly aligns to this initiative and uses this framework to drive its sustainability efforts.

Here are the five main SDGs that MUD Jeans contributes to (ordered by numerical value not by importance):



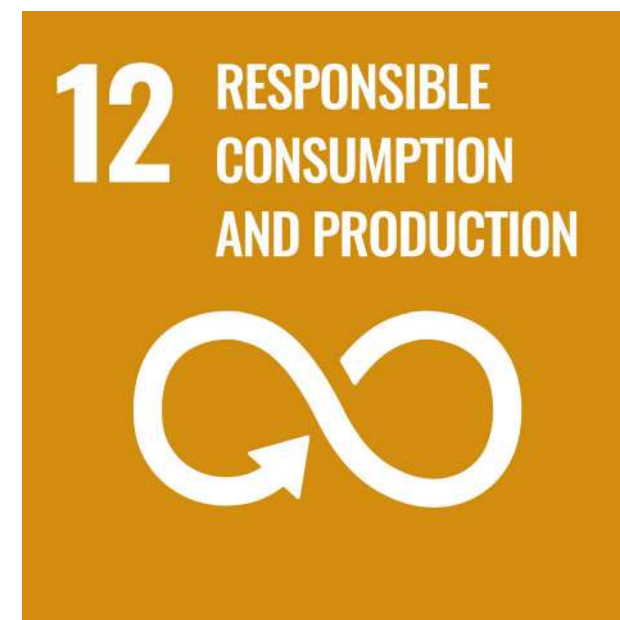
Decent Work and Economic Growth

We stand for fair, safe and healthy working conditions for all the people involved in the making of MUD Jeans. This is mandated by our code of conduct and ensured by a transparent supply chain and third-party audits.



Climate Action

Circularity is at the core of our business model, shaping the way we design, produce and interact with our customer.



Responsible Consumption and Production

We have made a public declaration of climate emergency and made a public commitment to Net Zero. MUD Jeans takes climate action by measuring its impact, continuously working to reduce it, and supporting climate positive action.



Life Below Water

MUD Jeans are produced using innovative water conservation techniques, which not only recycle but clean the water. From cotton to jeans, no toxic chemicals are used.



Life on Land

The materials we use, our production techniques, and packaging are designed to minimize our impact on ecosystems and biodiversity. We have measured our impact and have set targets to further reduce it in the future.



Ethical

— Production

The fashion industry is a 2.5 trillion-dollar industry, employing 430 million people world-wide. This means that roughly one in eight people contribute their work toward the fashion and textile industry. And while we are all connected to fashion by the simple fact that we all wear clothes, there is a huge disconnect between the clothes we wear, and the people involved in the process of making them. This is rooted in the unbalanced, unjust, and power-centred relationship between brand and garment worker. Garment workers are squeezed into unsafe working conditions and low wages, while brands push for low manufacturing costs. This is fashion's dirty little secret.

This imbalance of power was re-highlighted in the 2020 Covid-19 pandemic period, with global fashion brands refusing to pay for over \$16 billion worth of goods. As shops began to close, brands began to cancel orders, and garment factories were left with no money to pay wages.

We believe that there is an alternative to the unbalanced business approach of fast fashion. As a circular business, MUD Jeans has built connected partnerships with its main supply chain partners. This connection is necessary not only to build an ethical business, but it is a requirement to build a circular one. It is through collaboration and partnership that a business can drive innovation and continuous improvement.

MUD Jeans takes responsibility for all the people that are involved in the making of our jeans. Therefore, every material decision we make and supply chain partner we choose is focused on ensuring that they reflect our values of transparency, equality and safe working conditions.

Every year our supply chain partners are asked to review and sign our Code of Conduct. This document clearly outlines our expectations from our suppliers and employees and the values that we stand for, including labour rights, working conditions and ethical business standards.

Working Environment

Everyone is entitled to a safe working environment.

Safety at work relates to the building you work in, to the tools you use, as well as the environment, conditions, and people you are exposed to. It is about respecting the value of life of every individual, and the value of their work. Therefore, as a business we want to make sure everyone involved in the making of MUD Jeans has their health and safety prioritized.

MUD Jeans Code of Conduct 1.6.2

“The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.”

Labor Rights

Labor rights are both the legal rights and human rights of workers.

Labor rights are very important as they ensure that employees are treated correctly at work and that their rights are protected. These rights ensure that as an employee you can say no to work you don't want to do, that there is limit to the number of hours you are expected to work, and should you want to, you can unite with your colleagues and together bargain for improvements and change from your employer. For MUD Jeans, the freedom and respect of all employees is paramount. We work hard to have full transparency of our supply chain in order to ensure that everyone involved in the making of MUD Jeans is respected.

MUD Jeans Code of Conduct 1.2.1

“Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, or obstruct, the formation of unions or collective bargaining.” ILO Conventions No. 87, No. 98, No. 135 and No. 154.

Equality

Equality is about ensuring that everyone is treated as equal, regardless of their race, gender, or age.

At MUD Jeans we are strong supporters of this notion and though our Code of Conduct we ask our suppliers to follow it too: with women making up 80% of the garment workforce, we want to ensure that they are being given equal opportunity and treatment. At Yousstex International, men and women are paid equally. Distinction in salary is based on job/ position in the factory.

MUD Jeans Code of Conduct 1.4

“There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.” ILO Conventions No. 100 and No. 111 and the UN Convention on Discrimination Against Women.

Our Code of Conduct is reinforced by third party audits that each one of our supply chain partners go through individually. Recover, Ferrer and Tejidos Royo are based in Spain where they follow and are regulated against EU labor law. They are GRS Certified, verifying their responsible social, environmental, and chemical practices in production. They are certified to the UN Global Compact, a UN initiative working to advance labor rights, the environment and anti-corruption in the business world. Finally, all three are members of the BSCI, a membership that requires an audit covering chemical management, social responsibility, and safety at work.

Apart from being GOTS and GRS certified, Bossa is also a member of Sedex, an organisation which enables companies to manage and improve working conditions along their supply chain. Together with them, they complete their SMETA (Sedex Members Ethical Trade Audit). This audit concerns standards of labour, health and safety, environment, and business ethics.

Yousstex International completed an audit with the Social Labour Convergence Program (SLCP) in 2020 and will soon complete a second. It additionally went through a full IWAY audit which covers environmental, social, and working conditions. Finally, Yousstex also recently received their GOTS certification.

#PROUD

Our supplier Yousstex International makes us extra proud. They have set up a free school in their factory for employees aged 16-20 years. These young employees are given the opportunity to work 16-hour weeks and spend the rest of their time taking classes in language, maths, and textile practical studies. Once courses are completed, students receive a professional qualification diploma.



MUD Jeans

– Purchasing Practises

MUD Jeans promotes slow fashion through its cross-seasonal collection and timeless denim design. MUD places orders based on a NOOS (Never out of stock) strategy. This consists of making monthly orders based on an analysis of demand for each style. With this approach, we prevent waste from unwanted stock and foster a continuous long-term working relationship with our supply chain partners with transparent pricing and comfortable production timelines. Over time, this has created great trust between all partners.



– People

B Corps are businesses that balance purpose and profit. Unlike standard businesses, they hold a responsibility to their shareholders, which include employees, customers, suppliers, the community, and the environment. As a proud B Corp, MUD Jeans puts people at the centre of its business and carefully analyses the impact of its decisions on its shareholders. In 2020 and 2021, we stood by these values by remaining in solidarity with our supply chain partners and supporting our employees. We aim to always do and be better for our people and it is a continuous journey.

People & – Planet

Human rights and the rights of nature are interconnected. MUD Jeans has a strong understanding that the fight against climate change is a fight to protect humanity and human rights. Only with a healthy planet can we continue to have access to food, water, and shelter (all basic human rights). And while we are small, we hope that our circular jeans with minimal environmental impact inspire others to do the same.

Diversity & Inclusion

During the Black Lives Matter movement in 2020 many of us did some serious reflecting, including MUD Jeans. Our first commitment was to have a permanent section on diversity and inclusion in our sustainability reports.

We further wanted to approach this topic with humility, and so we joined a B Corp working group focused on justice, equity, diversity and inclusion (JEDI). Together with other B Corps, such as Tony's Chocolonely, VIE People and Fronteer, the objective is to reflect, be vulnerable and learn something new. More specifically, "we make space for conversations, resource sharing, campaigns and events that center around JEDI." In 2021, we held our first public workshop on "Unlearning and Relearning JEDI" for example.

MUD Jeans is a team of mixed nationalities that thrives on its diverse backgrounds and viewpoints. To ensure a safe and just work space, we have included the topic of inclusivity and discrimination in our employee satisfaction survey and we aim to continuously improve our approach on the matter. All of our supply chain partners have also committed themselves to foster equality and refrain from any discrimination at their workplace through our code of conduct. This includes hiring practices, compensation, access to training, promotion, termination or retirement. Above all, we aim to promote a working space where everyone feels respected and valued.

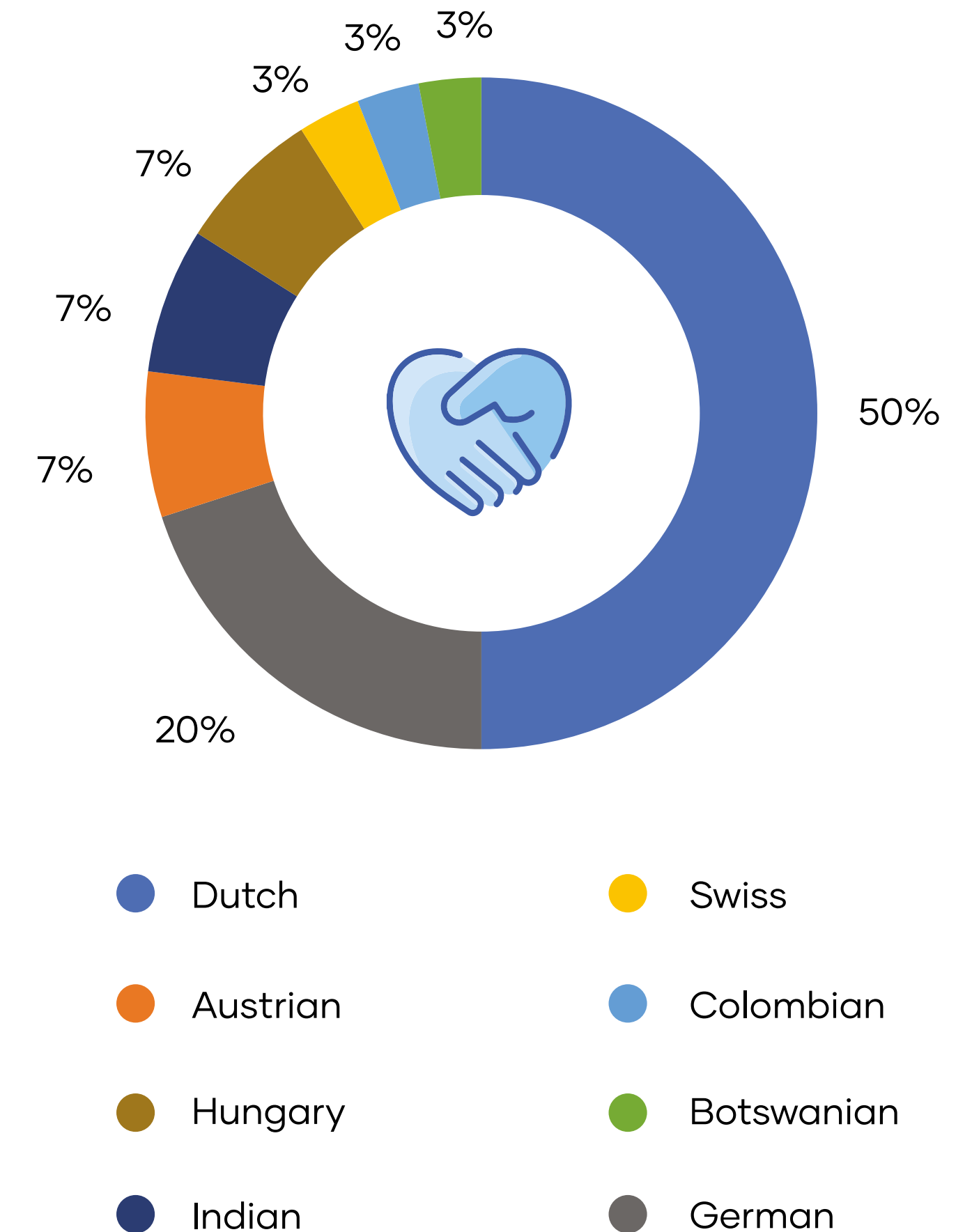
There is still much more progress to be made. In 2022 we aim for more diverse and inclusive content, collaborations and partnerships. We are also aiming to further extend the size range of our products in the future.

Diversity

The difference within a group of people. This can be ethnicity, gender, disability, sexual orientation, age, religion and more.

Inclusion

Where different identities feel valued, leveraged, and welcomed within a given setting.



Keeping Track of our — Social Goals

This is an overview of our ongoing goals. Through this revision and across this report we have also identified a few additional ones for 2022:

- Kickstart a project on more inclusive sizes at MUD.
- Enable more volunteering within the team.
- Measure diversity in our supply chain.
- Increase employee satisfaction further.

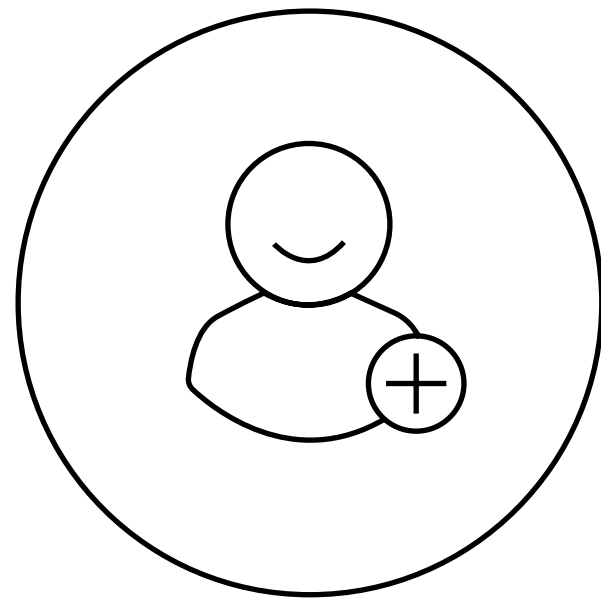
Goal	Achievements	Future Action
Expand our focus and communication on ethical factory conditions	We have a detailed permanent section on our supply chain partners on our website and we have shared behind the scenes of our factory visits in 2021.	We have some new partners in 2022 that we can't wait to share everything with you about.
Our tier 1 supplier Yousstex International will be GOTS certified by 2021	Success! GOTS prevents child labour and discrimination. They pay attention to safe & decent working conditions, as well as sustainable agricultural practices.	Keep re-certifying!
Increase our intake of data on diversity & inclusion	We have included the topic of inclusivity & discrimination in our employee satisfaction survey. And we have created a survey to measure these factors across our supply chain.	Send out surveys to our supply chain partners.
Incorporate more diversity into marketing decisions	We aimed to have a more diverse and inclusive representation of denim lovers in our communications. Improvements were made but there is still room to grow.	Become more inclusive and diverse in our communications, also in terms of body types, and improve size diversity in the long term.
Bring more information on diversity and inclusion to our team	Through our inclusion of these topics in our employee satisfaction survey and through our JEDI webinars, we have been able to start more conversations on this topic.	Keep the conversations going and reach a more diverse audience in the case of future vacancies.
Include diversity and inclusion section in all future reports	Success!	Let's keep it going and growing!



Positive — Activism

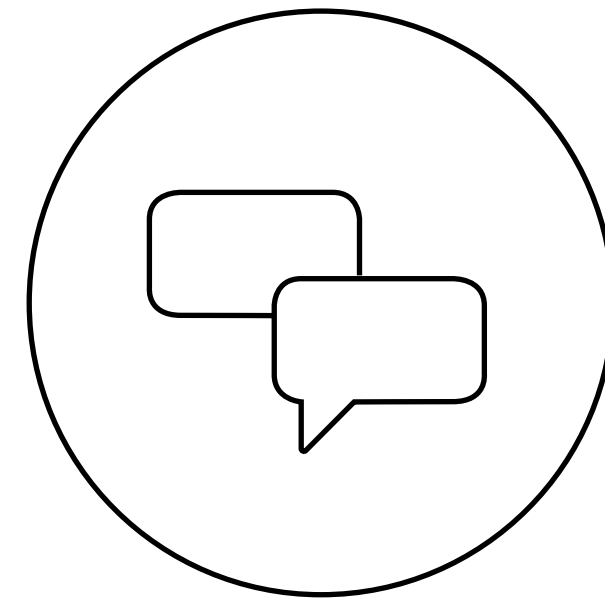
We love our planet and want future generations to enjoy this planet too. That's why we generate a positive impact by pioneering with our jeans, by changing the status-quo of the fashion industry and by empowering other businesses and consumers to become circular. We do this by being transparent, by sharing knowledge and by giving consumers the tools to make the change. Our social media channels are important in getting these stories across.

As frontrunners in circular denim we became an exemplar company of successfully running a circular business. We hope that our circular success story empowers other entrepreneurs, people, and students to go circular.



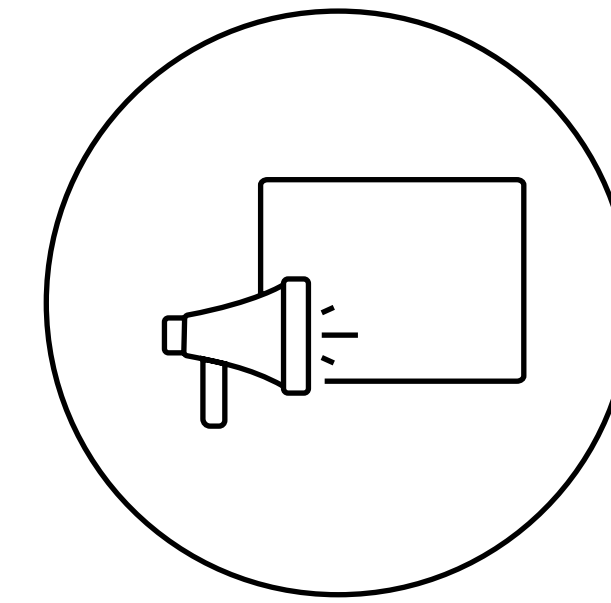
Communication Channels

Instagram: 54k
Twitter: 16k
Facebook: 16.3k
LinkedIn: 8k
Ambassador Program: 1.3k



Speaking Events

The Circular Economy Show - Ellen MacArthur Foundation
B Corp Stories - Net Zero
The Economist - Sustainability Week
B Together: People As a Force for Good
Circle Economy Festival
Brazil Eco Fashion Week
One Carbon World: COP26
Slowing Down Fast Fashion
Sustainable Fashion - Future of the Apparel Industry



Statement Campaigns

Fashion Revolution Week
#ISAVED
COP Ness Monster
Turning Black Friday Blue
Voices for Good

Educate

For the ones who want to learn more about the circular economy, sustainable fashion, or our work here at MUD Jeans, we are here to explain.



Sustainable Fashion Course

Sustainable Fashion Course

In 2021, we created a free sustainable fashion course for students and young professionals who want to learn more about the topic. The course was created together with industry experts and covers five topics: fast fashion, our work at MUD Jeans, partnerships, transparency, and responsible business. After passing a quiz on each topic, students can receive a certificate.



MUD Monthly Webinars

Every first Monday of the month our CEO Bert van Son and our CSR Officer Lea Landsberg host a zoom Q&A session to answer questions from students and researchers worldwide. We are proud of the theses and projects in which MUD Jeans circular approach is being named as an example. In turn, the participants keep us sharp with their curious minds and critical questions.



GO Circular podcast

GO Circular Podcast

Edutainment is 100% MUD Jeans. Enjoying the learning process is key in making change in this world. It should be fun. Therefore, we launched Go Circular, a podcast series discussing environmental and circular topics in accessible conversations between our CSR Officer and interesting guests.

— Co-activate

We know we're not going to change the world by ourselves. That's why we partnered up with several other disruptors, B Corps and environmental and social companies to share our overlapping philosophies to each other's audience.



Changing the – Fashion Industry

We joined and launched several initiatives to make an impact in the fashion industry. Achieving a more sustainable future will especially happen if we exchange knowledge and stand up together.



Jeans Redesign:

A project run by the Ellen MacArthur Foundation. This project encourages all participants to set goals based on the circular economy principles they developed.

Denim Deal:

A coalition that aims to make the use of post-consumer recycled cotton in denim a standard in the Netherlands by 2023. This coalition is supported by the Dutch government and has brought together key industry members including collectors, recyclers, mills, manufacturers, and brands. This denim deal is part of the Green Deal and forms part of the government's efforts to stimulate the increased adoption of circular economy.

Road to 100:

In collaboration with Saxion University, we have set the goal to create the world's first jeans made from 100% post-consumer recycled denim.

Green Deal:

We are part of the EU's Green Deal under the topic: Sustainable After The Crisis | Circular Textile. We joined forces with various parties who are committed to this ambition and are working towards circular collections, with commitment as high as possible on the R ladder and in recycling and regional reprocessing.

Double VAT:

Every brand needs to pay VAT (tax) on their products. However, when brands incorporate recycled fibres from their old products back into new ones, they effectively pay double VAT on the recycled content. We believe this does not encourage companies to recycle, therefore we are part of a group advocating to have the double VAT lifted.

BVM:

This is a new legal form that provides better recognition and thus appreciation for the social character of our social entrepreneurs. It becomes easier for financiers, suppliers and consumers to recognize fair and social enterprises, and to do business from this shared vision. In this way, we will build together on a social and fair entrepreneurial Netherlands.

Looking Back & — Future Goals

1. Ambassador Program:
1,300 people signed up to the program.

4. Circular Toolkit:
The circular toolkit was shared with students and professors.

7. Diverse:
We have been displaying a more diverse mix of people but we want to work more on this.

2. Talks:
An archive of all Q&A webinars was created to better exchange knowledge.

5. Monthly Webinar:
We actively shared insights within and beyond our webinars through our archive.

8. Circular Summer School:
This did not happen to the extent we planned. This is partly because of Covid-19 restrictions that year.

3. Communicate On Factory Workers:
We have taken our followers along with us on our visits to our partner factories and explained more about what they do and how they do it.

6. Connecting with Followers:
Covid-19 restrictions meant limited opportunities to connect face-to-face but we were able to reach almost 10,000 people through live and remote talks.

9. Across Industry:
We have been collaborating with brands across industries and want to keep inspiring a larger audience.

2021

1. Ambassador Program:
We want to launch a new & improved version of this.

4. Volunteering:
Offer more concrete volunteering opportunities to our team.

7. Diverse:
We want to work with and display a more diverse mix of people.

2. Talks:
If Covid-19 restrictions allow it, we want to inspire more people through live events again.

5. Monthly Webinar:
Further professionalise this service through improved signup and accessibility.

8. Road to 100:
We want to publicly share the progress we have made in this project.

3. Podcasts:
We want to release new episodes on inspiring topics in our Go Circular podcast.

6. Inspire:
We want to share more inspiring initiatives with our audience.

9. Across Industry:
We want to broaden our network of collaborators further.

2022

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