

Sustainability Report 2021

**DON'T THINK
IT'S AUTOPIA**

ECOALF

A CONVERSATION ABOUT
SUSTAINABILITY 3

KEY
FIGURES 2021 6

+ANNEXES 100

1. IT'S HONESTY

- 1.1 We are ECOALF 9
- 1.2 Good governance, ethics and compliance 20

2. IT'S SUSTAINABILITY

- 2.1 Our way of leading change 30
- 2.2 Stakeholders 36

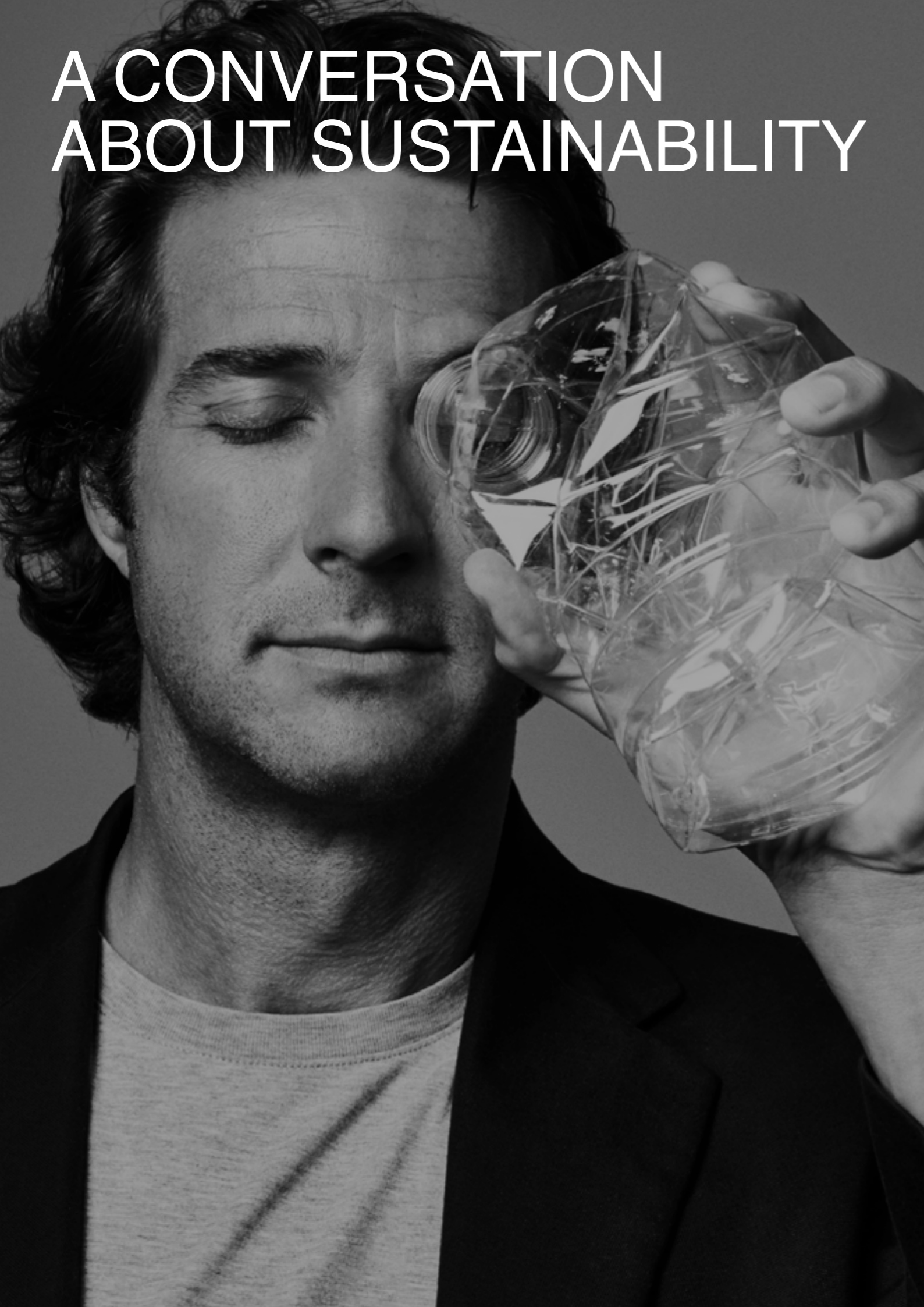
3. IT'S COMMITMENT

- 3.1 The origin of everything: our materials 41
- 3.2 Responsible supply chain 53

4. IT'S CHANGE

- 4.1 In the workforce 65
- 4.2 In the community 71
- 4.3 In the ECOALF Foundation 81
- 4.4. In the planet 89

A CONVERSATION ABOUT SUSTAINABILITY



Javier Goyeneche, President and Founder of ECOALF, and Carolina Blázquez, the company's Director of Innovation and Sustainability, sit down to discuss how ECOALF approaches sustainability. And they are very clear: the company's strategy encompasses the sustainability strategy.

ABOUT THE ECOALF STRATEGY

Javier:

At ECOALF we have many commitments, but there are two that in my opinion are very important and that will require the efforts of the entire organisation: one is **circularity**, from the design of the product; and the other is to comply with the **NET ZERO** commitment of **B Corp** for the year 2030. For this we are implementing a global plan that involves all the company's departments, a plan to **measure the impact of everything we do**, of each product, of how we transport, etc. This plan is accompanied by a major development in systems that allow us to monitor this impact transversally in all departments and in all our actions; this way we will see where we can improve and how to reach this objective.

Carol:

I would add something very important, which is that we have just presented and approved a strategy with the Board of Directors for the next 5 years; it must be emphasised that at ECOALF the general strategy of the company includes the whole **sustainability strategy**.

They are not independent strategies and everything you have just mentioned, Javier, is included in the general strategy. Each of the actions we are going to take at a global level in the company include the major challenges of decarbonisation and circularity.

Javier:

The big issue is: **how do we grow in a sustainable**, orderly way without breaking with any of the principles and values that have brought us this far? That is the great challenge— how to maintain this growth, while doing things better every day, without shortcuts, without cheating. In the end, how to grow in a way that is absolutely consistent with our principles is a global issue.

Carol:

To be able to do that, to be able to scale up as a company, and not only in the management area but in everything that is ESG¹ criteria and circularity, we have realised that we need to integrate a lot of development in **digitalisation**; the objective is that internally each department can make decisions based not only on economic results, but including everything that has to do with ESG impact and circularity, with the idea of being able to achieve double accounting, based on financial criteria and ESG criteria.

Javier:

Of course, it is very important that we do not measure after the action has been taken, but that we are able to measure the impact before making a decision. Get ahead of the curve.

Carol:

Yes, get ahead of the curve. And, in fact, being aware of this need is something we have been doing for years. In 2022 we have decided to publish our **first sustainability report**, which is simply a reflection of our commitment to sustainability, and which has been prepared in accordance with the **GRI² standard in its essential version**. We set a milestone within the company with the aim of seeing how, each year, we can improve our sustainability.

¹ Corporate Environmental, Social and Governance factors.

² Global Reporting Initiative, a common reporting framework for non-financial reporting and sustainability reporting.

ON HOW OUR SURROUNDINGS INFLUENCE ECOALF'S SUSTAINABILITY

Carol:

The COVID-19 pandemic affected us in two very important ways: on the one hand, in sales, because the shops had to be closed, which helped us to grow our e-commerce; and on the other, it slowed down our entire supply chain, most of our production was completely blocked and we had to react by seeking out alternatives.

Javier:

The issue of **suppliers** is very important to ECOALF. By 2030, suppliers need to help us achieve carbon neutrality; although they have all already been assessed, they need to be re-assessed to see who wants to work with us on this carbon neutral journey. This is a very important part; and then, also at a strategic level you have touched on a topic that is on the table: *e-commerce*. Unfortunately, the more we grow in *e-commerce*, the harder it will be to meet this objective, so we have to analyse how we can grow in a sustainable way.

Carol:

This is true and, in fact, in our strategic plans there is a very important part based on the decarbonisation plan. Part of our innovation for the coming years is precisely aimed at the **e-commerce** area, but also at tackling the scarcity of natural resources and raw materials, which reinforces our main purpose— to try not to use natural resources and to try to use all waste to turn it back into raw materials. This reinforces what we have always thought: if we can recycle, we are not using natural resources; we are giving them a second life and somehow we have to work on innovation, to introduce as many recycled materials as possible into our collection.



ON THE YEAR'S MAIN MILESTONES

Carol:

The most important milestone, although perhaps not having to do with innovation so much, which is what we like most, **is to have mapped our CO₂ emissions**, i.e. to have the total emissions accounting of the whole company in scope 1, 2 and 3. Today **we are neutral in 1 and 2**, and for scope 3 we have created a reduction strategy for all departments and all activities. In terms of sustainability, this is the company's most important milestone for 2021; and of course, we must also highlight that we are continuing with what we have been doing all these years, which is improving the environmental impact in the manufacture of our products (which increasingly incorporate more eco-design and are produced with a lower environmental impact), working on innovation for the whole issue of recycling, with projects that have not come out this year but will come to light in the coming years...

Javier:

...Exactly, we are already working on the circularity of cotton, the first 100% recycled collection...

Carol:

Although it will not see the light of day until 2023, work has already begun on it.

Javier:

The development of second-hand sales...

Carol:

...which has not seen the light of day either, but which we are also working on; and repair, which are projects that will be launched during 2022.

ON CHALLENGES AND GOALS FOR THE FUTURE

Javier:

At the organisational level, it is essential to continue with all **training**; the whole team must know and understand the company's objectives, what all the impact measurement will entail, and that everyone understands that they can help from their departments.

Carol:

There is a paradigm shift in how we operate, because what we want is to have **integrated sustainable management** in terms of ESG and circularity. This is something completely new and something that we have to achieve: that decision-makers (who in the end are everyone because any decision has an impact) understand that decisions cannot be taken only on the basis of economic criteria, but that they must have a much more holistic aspect.

KEY FIGURES

1,261

Points of sale in 33 countries

18

Corners open in 2021

828,659

product units sold

153

People on payroll

45 Men



108 Women



+400 M

people impacted by media
and social media

+300 Tn

Rubbish recovered from the
bottom of the ocean during 2021

€37.48 M

Revenue

€26.93 M

Payments to suppliers

IT'S HONESTY

We are ECOALF 1.1

Good governance, ethics and compliance 1.2



“We exist to protect our natural resources, to create a sustainable lifestyle brand leading change with every product”



→ It's not a utopia

1.1 WE ARE ECOALF

**WHERE OTHERS
SEE TRASH,
WE SEE
RAW MATERIALS.**

We were founded in 2009 as a result of the frustration of belonging to the second most polluting sector on the planet: the textile industry. From there, we decided to act in order to stop being part of the problem by providing solutions and creating a truly sustainable fashion brand.

Our main objective is to minimise the use of natural resources by using mainly waste as raw materials (such as water bottles, fishing nets, tyres, coffee grounds, used clothes, etc.), which, through innovative processes, are recycled and transformed into fibre, yarn, fabrics and top-quality garments.



We continuously work to minimise environmental impact, driving innovation to create sustainable solutions and promote the circular economy from eco-design processes and production to the end of the product's life cycle.

Aware that everything we do and every decision we make has an impact, at ECOALF we believe it is our responsibility to make the decisions that have the least impact.

We have a deep commitment to the planet and to people, which is enshrined in our bylaws, where we are committed to maintaining a balance between economic, environmental and social performance.

We are true to our values. We are proud to break the rules and use our energy to create a new model in the fashion industry to inspire other companies.



OUR CULTURE



VISION

Our vision is to stop using natural resources in a careless way

MISSION

Our mission is to create the first generation of recycled products with the same quality and design as the best non-recycled ones.

OUR VALUES

- Compromise
- Coherence
- Transparency
- Integrity

①
2
3
4
+

THREE PILLARS THAT MAKE US UNIQUE

SUSTAINABILITY

We seek a balance between the needs of the company and those of our planet, creating products that generate a minimum environmental impact.

Protecting the planet is at the heart of our decisions.

INNOVATION

We transform the world through innovation, as a tool that allows us to generate solutions to the challenges we face in the textile sector.

We work in constant collaboration with the most innovative factories and technology centres, enabling us to develop materials, processes and products with lower impact.

DESIGN

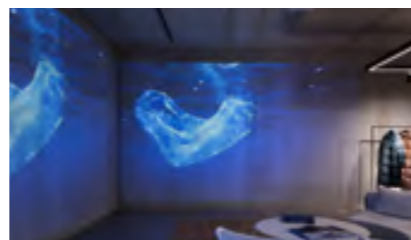
Quality and timeless design form part of ECOALF'S DNA as a hallmark of durability and responsibility.

Good design doesn't look new or old, it is simply a bridge between the past and the future.



**AT ECOALF WE
DON'T FOLLOW
TRENDS.**

A HISTORY OF COHERENCE



ECOALF is born

Idea: create a truly sustainable fashion company.

Innovative flip-flop collection

With 100% recycled tyres and no glue.

First international shop in Berlin

With space for ACT NOW events and environmental awareness-raising talks.

Upcycling the Oceans in Thailand

A 3-year commitment to clean up 5 islands: Bangkok, Phuket, Rayong, Koh Tao, Koh Samui.

GRS Certification

Guarantees that textile materials are recycled in compliance with environmental and social criteria.

Upcycling the Oceans grows in the Mediterranean

Expansion to Italy and Greece.

2009

2014

2017

2020

2012

2015

2018

2019

2021

First flagship store

In the heart of Madrid.

Founding of the ECOALF Foundation and its revolutionary Upcycling the Oceans project

Project created with the support of the fishing industry to recover marine litter from the oceans and turn it into fabric to create high-quality products.

B Corp Certification

We meet the highest standards of social and environmental performance, public transparency and legal accountability.

BECAUSE THERE IS NO PLANET B® Manifesto

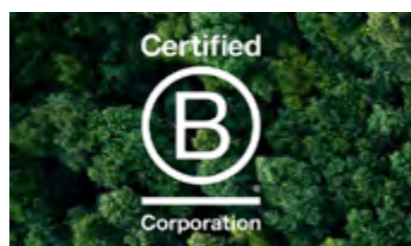
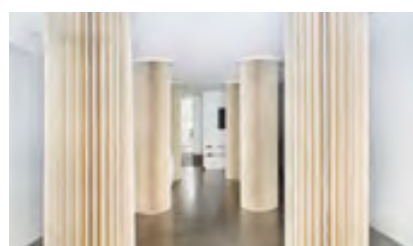
For every BECAUSE THERE IS NO PLANET B® product, 10% of the sales are donated to the ECOALF Foundation to support the expansion of the Upcycling the Oceans project.

Entry into the Japanese market through a Joint Venture with 2 open shops.

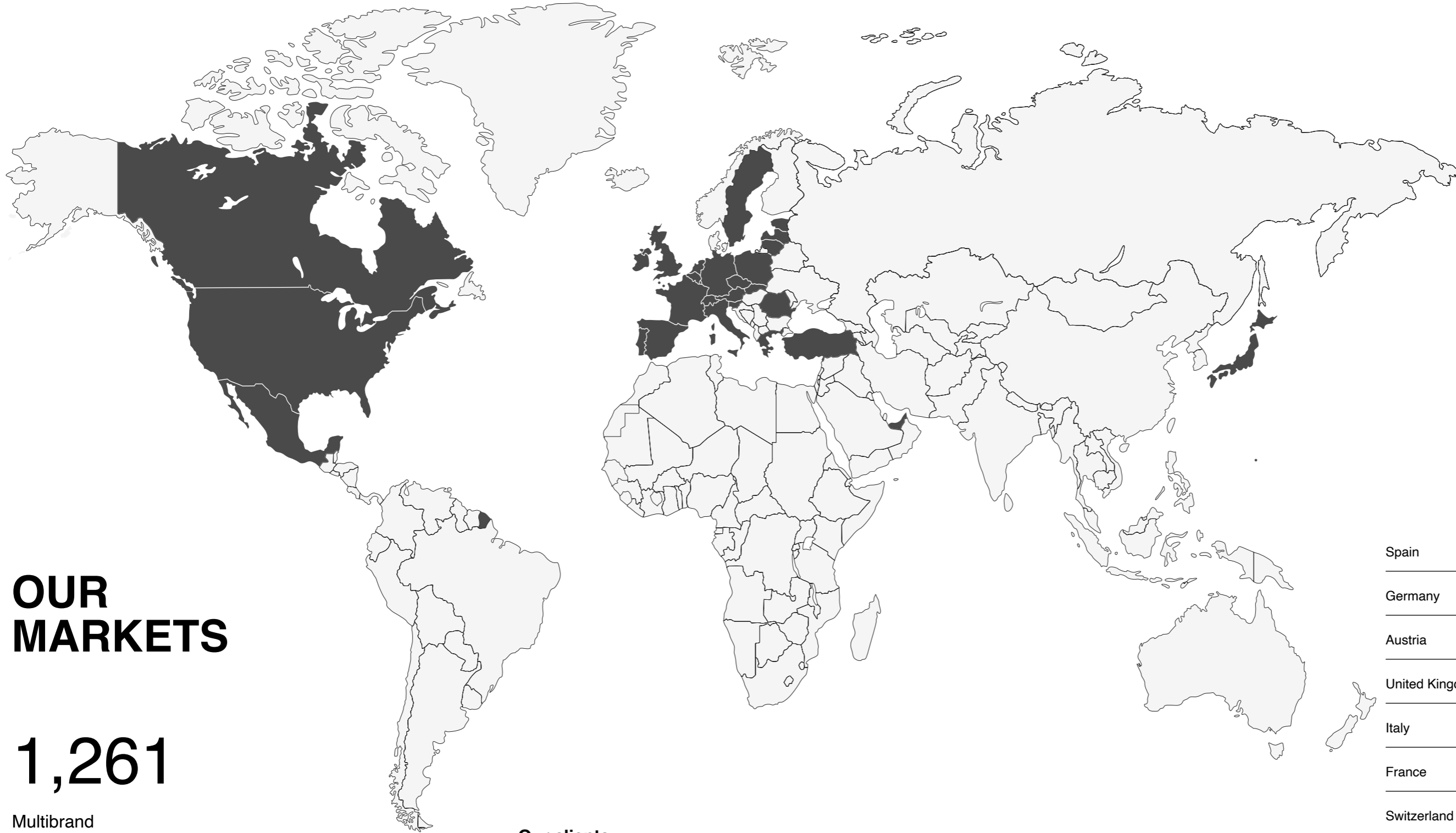
Made from natural and recycled materials such as bamboo, stone, sand and wood.

ECOALF 1.0

Launch of timeless, sustainable and premium line.



ECOALF AROUND THE WORLD



OUR MARKETS

1,261

Multibrand clients

33

Countries

Our clients

B2B

Shops and multibrand clients

B2C

E-commerce

Retail shops

The Netherlands

1

Sweden

2

United States

3

Canada

4

+

Andorra

Portugal

Poland

Czech Republic

Luxembourg

Romania

Slovakia

Turkey

United Arab Emirates

Slovenia

Estonia

Spain

Greece

Germany

Guaiana

Austria

Guernsey

United Kingdom

Ireland

Italy

Jersey

France

Lithuania

Switzerland

Latvia

Japan

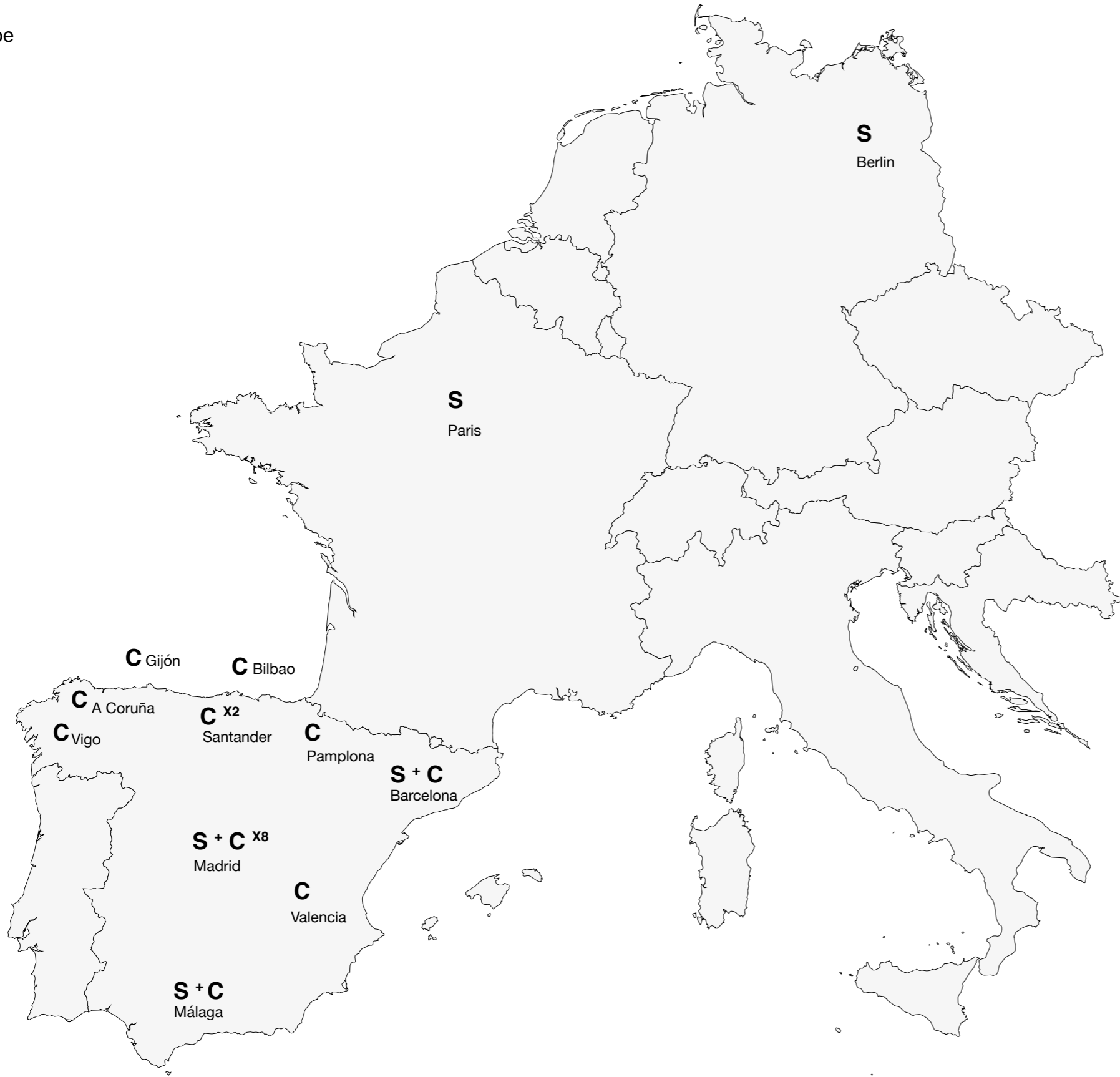
Mariana Islands

Belgium

Mexico

OUR SHOPS AND CORNERS

Europe



Japan



S Own shops

L Licensed shops

C Corners

5

2

18

①
2
3
4
+

OUR SALES (€)

Total:
€37.48 M

- ①
- 2
- 3
- 4
- +



55.5%

Revenue
in Spain

WE BUILD PARTNERSHIPS

NATIONAL LEVEL

→ Pact for Circular Fashion

We are part of the driving group of the Pact. The Pact for Circular Fashion promotes a voluntary agreement to promote the transformation of the textile sector towards a circular model based on a comprehensive and integrative perspective of all players (public and private) in the value chain.



→ Club for Excellence in Sustainability

Members of the Advisory Board of the Circular Economy Observatory



→ Spanish Group for Green Growth

Founding partners and members of the Board of Directors.



→ CONAMA Foundation

Members of the Technical Committee on Textile Waste.



→ Triple Bottom Line Business Association



→ INESCOP



INTERNATIONAL LEVEL

→ B Corp™



→ Textile Exchange



→ The Microfibre Consortium

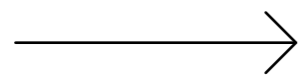


B CORP™

Since 2018 we are part of the B Corp™ community and we are the **first Spanish fashion brand to receive this certification**. B Corp™ companies are leaders in the global movement of people using business as a Force for Good™ and must meet the highest standards of overall environmental performance verification, transparency and accountability. They also aspire to use the power of business to solve social and environmental problems.

Every three years, B Corp companies are evaluated to measure their business impact.

B Corp Score

81.8  99.1
2018 2021

This score is based on 5 key parts of the company:

GOVERNANCE

The company's mission, ethics, accountability and global transparency

WORKERS

The company's contribution to the economic, physical, professional and social well-being of its employees

COMMUNITY

The company's contribution to the economic and social well-being of the communities where it works

ENVIRONMENT

Environmental management of the company (climate, water use and sustainability)

CUSTOMERS

The value the company creates for its customers, such as positive marketing and quality assurance.



**SALVAMENTO MARÍTIMO ODS
14 AWARDS**

To the ECOALF Foundation for the best contribution to SDG 14 regarding the conservation of our seas.

SHIP2B IMPACT AWARDS

To ECOALF as Impact Startup, recognising the value that key players in the impact economy bring to society and the environment.

**FREUNDIN PERFECT PIECE
AWARD 2021**

To ECOALF, for its knitwear.

MADBLUE AWARD 2021

to ECOALF for its business model committed to ocean conservation.

**JOSÉ MANUEL LARA AWARD
(CÍRCULO DE ECONOMÍA)**

To ECOALF for entrepreneurial ambition and purpose.

**OPTIMISTAS COMPROMETIDOS AWARDS, VI EDITION
(LAST NIGHT I HAD A DREAM)**

To Javier Goyeneche for entrepreneurship.

**INFLUENTIALS AWARDS
(EL CONFIDENCIAL)**

To Javier Goyeneche for his environmental trackrecord with ECOALF.

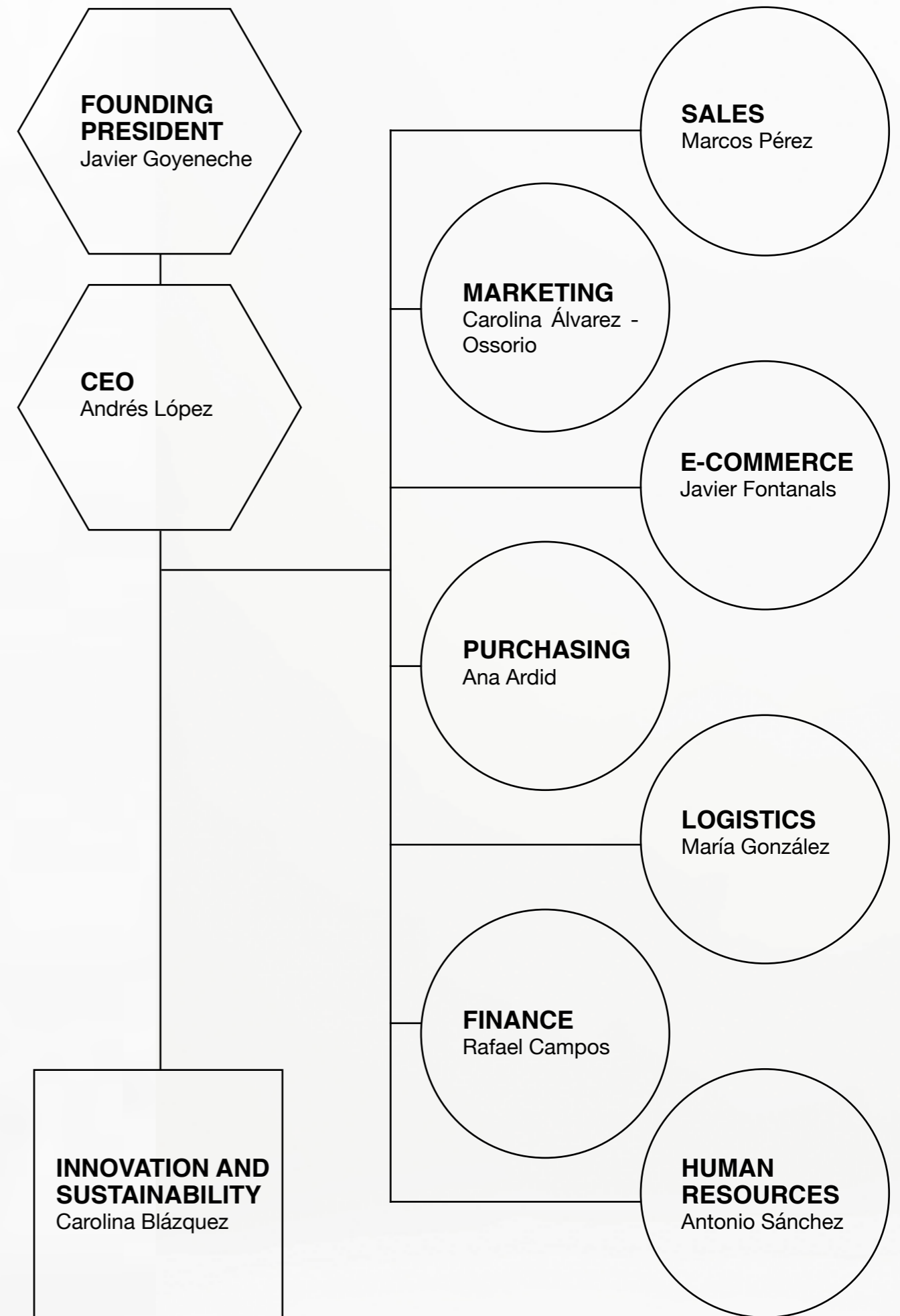
**WOMAN PLANET
AWARDS**

A Javier Goyeneche, a pioneer in sustainability.

AWARDS



1.2 GOOD GOVERNANCE, ETHICS AND COMPLIANCE



1
2
3
4
+

The governance structure of the organisation rests with the **Board of Directors** and the **Management Committee**. Environmental, social and economic decision-makers are (in the first instance) the Management Committee, followed by the Board of Directors.

Sustainability is one of our raisons d'être, which is why it is a **cross-cutting area throughout the company** whose leadership lies with the Head of Innovation and Sustainability.



COMPOSITION OF GOVERNING BODIES

	MEMBERS	MEN	WOMEN
Board of Directors	4	4	0
Management Committee	10	6	4

MEMBERS OF THE BOARD OF DIRECTORS

- **Javier Goyeneche**, president and founder
- **Frederic de Stexhe**, representative of the major shareholders
- **Andy Piers**, independent advisor
- **José Manuel Martínez**, independent advisor

OUR ETHICAL ASPECT

WHAT WE DO
IS IMPORTANT.



HOW WE DO IT
IS VITAL.

All the decisions we take every day have an impact on our surroundings, on the environment and on the people we interact with. Aware of this impact, our duty is to go beyond regulatory compliance and to be a leader in ethics and integrity. We are also aware that this commitment must permeate the entire company, from individual to collective actions, and from the governing bodies to all the people who make up ECOALF, as well as our main collaborators. Because it is not about compliance, but about leading the way.

To this end, we have developed a **robust ethical model**, based on ECOALF's purpose and values, and always under the guidance of the **Ethics Committee**.

CODE OF CONDUCT

Revised and approved by the Ethics Committee in 2020 as a continuation of the previous *Sustainability Commitment*, the ECOALF Code of Conduct sets out the ethical values, commitments and good practices that must be applied in the management of the business. It governs the behaviour of everyone at ECOALF—directors, managers and employees—regardless of their function, location or hierarchical level, and includes all businesses operating under different brand names.

Our Code of Conduct sets out the general rules of professional conduct at ECOALF:

- Compliance with the **law**.
- Respect and promotion of **Human and Labour Rights**.
- Commitment to **integrity**.

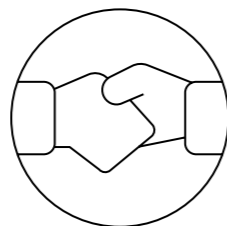
Likewise, it also dictates the **rules of action in environmental, social and good governance matters**: from respect among all the people who make up ECOALF, the management of conflicts of interest, the fight against corruption or the promotion of transparency, among other issues. It was shared with all employees in its last version and we are working to provide specific training on it for the whole team.

At ECOALF we not only ensure the ethical behaviour of all our people; the Code of Conduct also includes the **External Code of Con-**

duct, which is mandatory for all our suppliers of products and services. This document includes the principles that our supply chain must follow based on the guidelines set out in the ILO Conventions and labour legislation, the Universal Declaration of Human Rights, and the UN Global Compact Principles.

In addition to the Code of Conduct, to reinforce our ethical aspect we have other policies that were shared at the time with all employees and which are communicated to new team members through our Welcome Manual, such as the **Harassment at Work Protocol**, designed to prevent, avoid, eradicate and denounce this type of conduct.

+ See more in chapter 4



100%
of our operations
comply with the Code
of Conduct.

ETHICS COMMITTEE

Reporting to the Board of Directors, the Ethics Committee is composed of the Human Resources Director, the Finance Director and the Innovation and Sustainability Director. Its functions are closely linked to the Code of Conduct, as it is responsible for ensuring compliance with the Code, periodically submitting it to the Management Committee for review and proposed modification, and communicating and disseminating it at all levels of the company, among others.

In addition, the Ethics Committee meets every three months with four clear objectives:

- **Prevention** of potential risks, needs analysis and proposals for continuous improvement.
- **Detection** of possible irregularities or conflicts, and activating the follow-up of incidents received through the ethics hotline (if applicable).
- **Report** on new policies implemented and follow-up. Communication to the departments involved.
- **Resolution** and implementation of both improvement actions and sanctions where appropriate.

ETHICS LINE: SAFE AND CONFIDENTIAL COMMUNICATION

At ECOALF we provide all employees with a specific and confidential channel of communication to make proposals or contributions that help to improve the company, as well as to raise any queries or possible irregularities, non-compliance or behaviour contrary to ethics, legality and the rules governing ECOALF, as set out in the Code of Conduct.

The Ethics Line is managed by the Ethics Committee, which, in order to guarantee the confidentiality and security of the entire process, provides employees with an e-mail address hosted on a server outside the company.

REGULATORY COMPLIANCE

We strictly comply with all applicable local, regional, national and international legislation. We closely monitor regulatory developments that may affect us in order to be prepared for and, as far as possible, anticipate them.

OUR CHALLENGE:

**CONTINUALLY
QUESTION OUR
DECISIONS
IN ORDER
TO MINIMISE
OUR IMPACT.**

①
2
3
4
+

CRIME PREVENTION HANDBOOK.

The Board of Directors and the Management Committee of ECOALF are fully committed to zero tolerance for the occurrence of criminal activities. The result of this is the Crime Prevention Manual, which describes the pillars on which we build our management and control model for the prevention of criminal risks.

Its content applies to the company's activities and processes that may involve a criminal risk, and involves all members of ECOALF, regardless of the position they hold and the territory in which they are located.

The Crime Prevention Manual feeds into our **Crime Risk Prevention Plan:**

- It analyses the risks of committing crimes within ECOALF, which may entail criminal liability in accordance with the Criminal Code (LO 10/1995), following the latest reform by Organic Law 1/2019 of 20 February.
- The analysis is based on each of the types of criminal offences that can directly or indirectly affect the company's activities, the group most likely to commit such offences and the controls or work systems that are directly or indirectly established for their prevention and avoidance.



EQUALITY SCHEME

Equal treatment and opportunities for men and women is a principle enshrined in Spanish law. At ECOALF, we not only scrupulously respect this, but also seek to reinforce it continuously. The Equality Scheme charts the path.

+ See more in chapter 4



FIGHT AGAINST CORRUPTION

Zero tolerance for corruption. These are not just words, it is an unquestionable commitment. Corruption—in any form—clashes head-on with the values and principles that guide us at ECOALF.

We have a number of allies to manage this potential impact, mainly in the areas most vulnerable to it, such as purchasing and supplier selection:

- The Crime Risk Prevention Plan, in which we detail all possible risks of this type.
- The Code of Conduct, which includes a section on corruption with information on the situations in which corruption can occur, and recommendations on how to combat it.
- Sustainability Commitment: mandatory for all our production and logistics suppliers, includes an ethics clause that rejects any form of corruption by our suppliers towards a third party or an ECOALF employee.

Doing things well means sharing what we do and why we do it.



For this reason, all our employees were informed of the adoption of the Code of Conduct and were made aware of the full content concerning the fight against corruption.

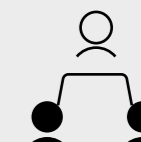
And we want to go much further.

TRAINING ON THE COMPANY'S ANTI-CORRUPTION POLICIES

100%
Management Committee



78%
of the members
of governing bodies



We work to ensure that this training reaches each and every ECOALF employee.

1
2
3
4
+

IT'S SUSTAINABILITY

1
2
3
4
+



Our way of leading change 2.1

Stakeholders 2.2

All our decisions seek to create the minimum negative impact on the planet and people.



→ Don't think it's a utopia

2.1 OUR WAY OF LEADING CHANGE

TRANSFORMATION THROUGH:

- Action
- Innovation
- Raising awareness

PURPOSE VERSUS COMPLIANCE:

- Authenticity
- Transparency
- Inspiration



OUR STRATEGIC CHOICES

CO₂

- Reduction of CO₂ to be **NET ZERO** by 2030
- Regenerative projects to be **Carbon positive**

WATER

- Supply chain protection: **water efficiency and use, and chemical management**
- Protection in our oceans supporting the **ECOALF Foundation**
- Microfilaments: members of **The Microfibre Consortium** (commitment to reduce impact to zero by 2030)

TRANSPARENCY AND TRACEABILITY

- **Suppliers 100%** designated and validated by ECOALF
- **Traceability in 100%** of products: from yarn (or waste) to the final product

CIRCULARITY

- **Ecodesign**
- **Durability**
- **RE_VIVO:** repair | reuse | resell
- **Close the LOOP** (Made to be Re-Made)

MATERIALS

- Innovation and sustainability for creating the best recycled materials
- Innovation and sustainability to create natural materials with low or positive impacts
- Recycled polyester yarn (UTO YARN) from plastic collected from the bottom of the ocean by the ECOALF Foundation

OUR CHALLENGES

FASHION IS MORE THAN LOOKING GOOD

- **Traceability and transparency.**
We measure and manage our impact across our entire supply chain.
- **2030 NET ZERO, our compromise towards neutrality.**
We are not content to reduce, we are committed to regenerating.
- **Leading the paradigm shift** with the ECOALF community:
 - Raising awareness
 - Inspiring citizens to become agents of change
 - Promoting responsible and positive impact: Lifestyle | Consumption | Production

ENSURE LONG-TERM AND SUSTAINABLE GROWTH ALIGNED WITH THE PURPOSE

- **Construction of the ECOALF culture.**
With leadership based on people and values.
- **Protection of the ECOALF DNA.**
With purpose and authenticity.
- **Triple bottom line performance:**
 - Planet
 - People
 - Economic results



OUR ROADMAP

Commitment, innovation and non-conformism: at ECOALF, we have a **2022-2027 strategic plan** to meet a challenging context.

Transforming the challenges of the environment into opportunities means knowing what we want to be in five years' time. And at ECOALF we are clear: we aspire to be **the leading sustainable lifestyle brand** that ensures a lasting balance between protection of the environment and people, and economic performance.

Our 2022-2027 Strategic Plan is aligned with the **pillars that make us unique**—sustainability, innovation and design—and sets out **five commitments** to maintain the growth of the last five years, in which the company's revenue has increased tenfold, allowing us to increase our capacity to generate a positive impact on society and the environment.



2022-2027 STRATEGIC PLAN

COMMITMENTS →	To continue to be a leader in sustainable fashion through continuous innovation	Growing on winning consumer trends	Growth in all product lines	Growth in the main distribution channels	Growth in major European and North American markets
ACTIONS →	<p>More circular collections</p> <hr/> <p>CO2 NET ZERO emissions by 2030: a shift in the industry and our entire value chain</p> <hr/> <p>Innovation in textiles and processes</p>	<p>Boosting our consumer profile: committed, urban and identified with the brand's values in their day-to-day lives.</p>	<p>Strengthening of the core fashion and footwear line</p> <hr/> <p>New sport line that is a benchmark in sustainable design and innovation.</p> <hr/> <p>Exploring new growth opportunities aligned with our values and vision</p>	<p>Promoting the multi-channel distribution model</p> <hr/> <p>Acceleration of wholesale and corners</p> <hr/> <p>Promoting flagship stores as the best symbol of our brand</p> <hr/> <p>Progress with the online channel</p>	<p>Focus on B2B customers in Spain</p> <hr/> <p>In Europe, continued expansion in key markets such as Germany, Austria, Switzerland, France and Italy.</p> <hr/> <p>Exploring new opportunities in Northern Europe, UK and North America</p>



2.2 STAKEHOLDERS

AT ECOALF WE WORK WITH PEOPLE WHO SHARE THE SAME VALUES.

WE BUILD TRUST WITH OUR STAKEHOLDERS AND FOSTER AN OPEN, TRANSPARENT AND AUTHENTIC DIALOGUE.



1
2
3
4
+

The workforce	Consumers (B2C)	Clients (B2B)	Service suppliers
Third Sector	Community of influence / followers	Local community	Financial entities
Supply chain suppliers	Administrations	Investors	Partners - shareholders

2.3. MATERIALITY

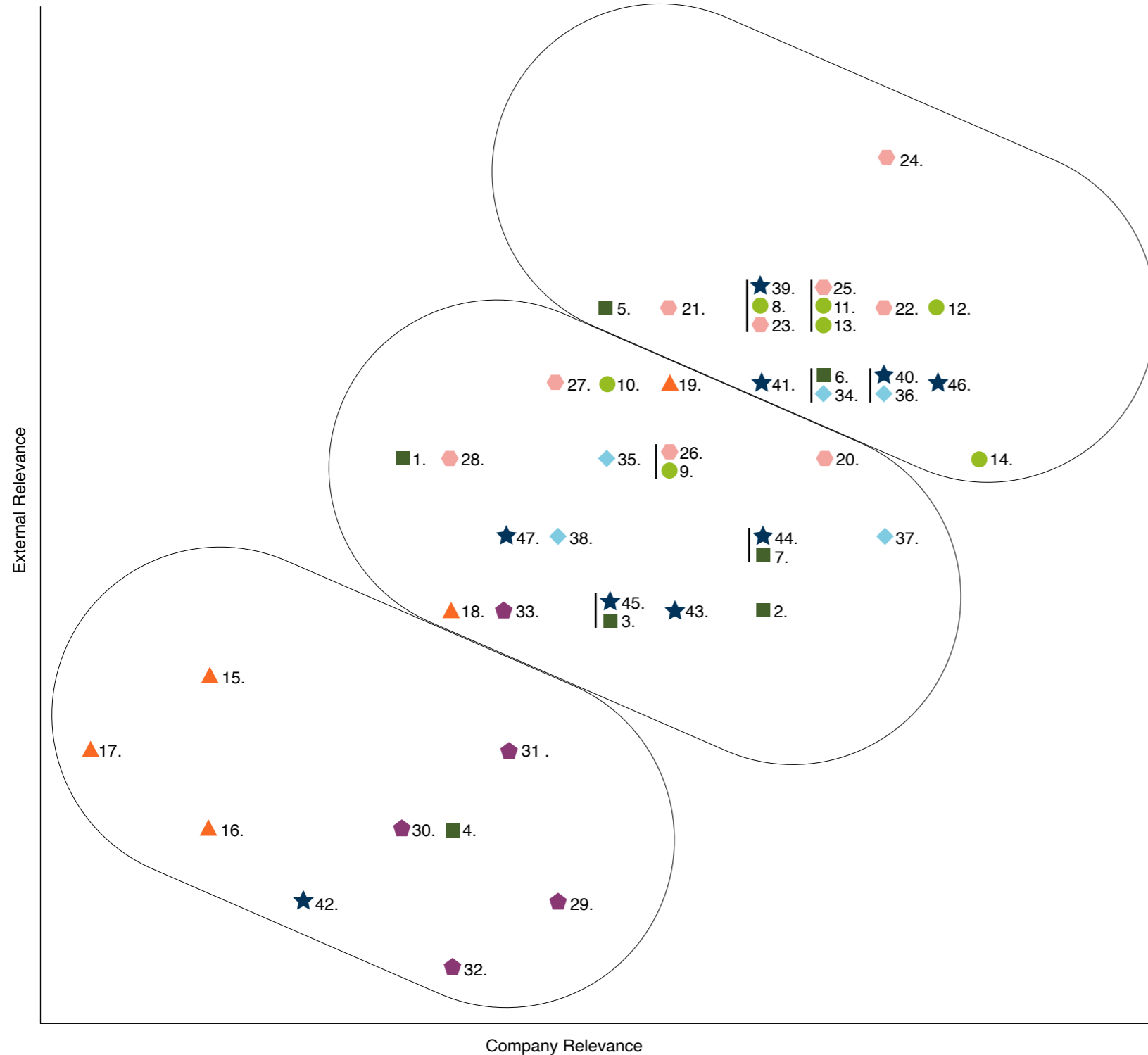
Process of defining material aspects:

- Identification of potentially material issues and sector benchmarking.
- Prioritisation of the groups of influence according to their impact on ECOALF's activities, the impact of ECOALF on each group and the importance given to them by the company.
- Survey of stakeholders, by means of an online questionnaire.
- Prioritisation of issues according to the relevance given by each stakeholder group (external view) and ECOALF (internal view). The issues identified by stakeholders have been weighted according to the above prioritisation.
- Development of the materiality matrix.
- Correspondence of material topics with GRI.

IN PREPARING OUR SUSTAINABILITY REPORT, WE HAVE FOLLOWED THE PRINCIPLES OF THE GLOBAL REPORTING INITIATIVE (GRI) WITH REGARD TO MATERIALITY.



MATERIALITY MATRIX



THE WORKFORCE

- 1. Diversity and equal opportunities
- 2. Staff-company relations
- 3. Opportunities for professional development and growth
- 4. Work-life balance, flexibility and telework management
- 5. Occupational health and safety
- 6. Work climate and talent retention
- 7. Sense of belonging

CUSTOMERS

- 8. Product quality
- 9. Service quality
- 10. Privacy of customer data
- 11. Customer satisfaction
- 12. Truthfulness in marketing
- 13. Transmission of the company's values and DNA in communication
- 14. Traceability and transparency in product labelling

COMMUNITY

- 15. Economic investment in the community through the ECOALF Foundation
- 16. Promotion of the social and economic development of local communities
- 17. Collaboration with associations and NGOs
- 18. Understanding and meeting the needs of the people of the ECOALF Movement
- 19. Raising awareness regarding the environment

ENVIRONMENT

- 20. Reduction of energy consumption and the use of renewable energy sources
- 21. Reduction of water consumption and controlling effluents
- 22. Reduction of emissions that contribute to climate change
- 23. Reduction of and management of waste

- 24. Use of recycled materials in the collections
- 25. Promotion of the circular economy
- 26. Protection of biodiversity
- 27. Initiatives to combat climate change
- 28. Informing and raising awareness about the environment

ECONOMIC PERFORMANCE

- 29. Company financial statements
- 30. Wealth creation among ECOALF stakeholders
- 31. Market presence
- 32. Indirect economic impacts
- 33. Investment in innovation

GOOD GOVERNANCE

- 34. Ethical behaviour
- 35. Anti-corruption practices
- 36. Compliance with social and financial legislation
- 37. Tax compliance
- 38. Listening to, talking to and our commitment to our stakeholders

SUPPLY CHAIN

- 39. Origin and source of products and materials
- 40. Traceability in the supply chain
- 41. Control of chemicals used in the supply chain
- 42. Preference for working with local suppliers
- 43. Supplier social assessment
- 44. Supplier environmental assessment
- 45. Supplier freedom of association and collective bargaining
- 46. Purchasing agreements with specific clauses on human rights and environmental management
- 47. Promotion of good practices in health and safety

1

2

3

4

+

REPORT SECTION

MATERIAL TOPICS

GRI

IT'S CHANGE
 In the workforce

Occupational health and safety

403-Occupational Health and Safety

IT'S CHANGE
 In the community

Truth in marketing

417-Marketing and Labelling

Traceability and transparency in product labelling

IT'S CHANGE
 For the planet

Reduction of water use and control of waste

303-Water and Effluents

IT'S COMMITMENT

Reduction of emissions that contribute to climate change

305-Emissions

Use of recycled materials in the collections

301-Materials

Promotion of the circular economy

IT'S HONESTY
 Good Governance

Ethical behaviour

205-Anticorruption

IT'S COMMITMENT

The origin and source of the products and materials

ECOALF indicator (NON-GRI)

IT'S CHANGE
 In the supply chain

Traceability in the supply chain

ECOALF indicator

Control of chemicals used in the supply chain

ECOALF indicator

Purchasing agreements with specific clauses on human rights and environmental management

308-Supplier environmental assessment
 412-Human rights assessment

IT'S COMMITMENT

3

Where it all starts: our materials 3.1

Responsible supply chain 3.2

What we do
is extremely important.

How we do it and
the impact we generate is
even more important.

→ Don't
think it's a
utopia

3.1. WHERE IT ALL STARTS: OUR MATERIALS

WHEN SELECTING OUR MATERIALS AT ECOALF, WE CHOOSE THOSE THAT GENERATE THE LOWEST ENVIRONMENTAL IMPACT.

WE WORK WITH RESPONSIBLE MATERIALS, PARTICULARLY WITH RECYCLED MATERIALS.

OUR PREFERRED MATERIALS LIST ENSURES WE USE ONLY THOSE THAT ARE ENVIRONMENTALLY FRIENDLY.

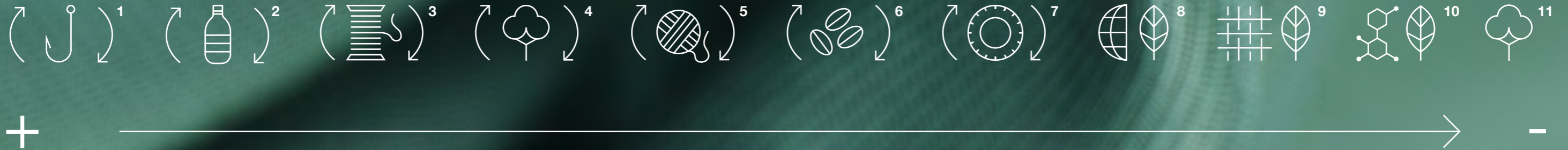
We know the source and origin of 100% of the materials used in our collection and the social and environmental conditions under which they were sourced and processed.

We do not ship our raw materials across continents, thus reducing the product's carbon footprint.

The Preferred Materials List ranks, from the most to the least preferred, the materials that can be used in our collections according to their relative environmental impact. Any material not included on this list must not be used in our collections.



PREFERRED MATERIALS LIST



PREFERRED Materials having the least impact

ECOALF RECYCLED MATERIALS

1.

Our ocean yarn

2.

Recycled polyester

3.

Recycled nylon

4.

Recycled cotton

5.

Recycled wool and cashmere

6.

Recycled polyester +S.CAFÉ®

7.

Recycled tyres

RECOMMENDED Low or medium-impact materials

CELLULOSE FIBRES AND OTHER FIBRES

8.

Sustainable viscose.

9.

Natural fibres

10.

Biopolymers.

LEAST RECOMMENDED Materials with a higher impact

11.

Organic cotton.

USE OF RECYCLED MATERIALS IN OUR COLLECTIONS

1
2
3
4
+

Calculation based on our internal methodology whereby each item is split into components and each component counts as a unit.

RECYCLED MATERIALS
74%

NON-RECYCLED MATERIALS
26%

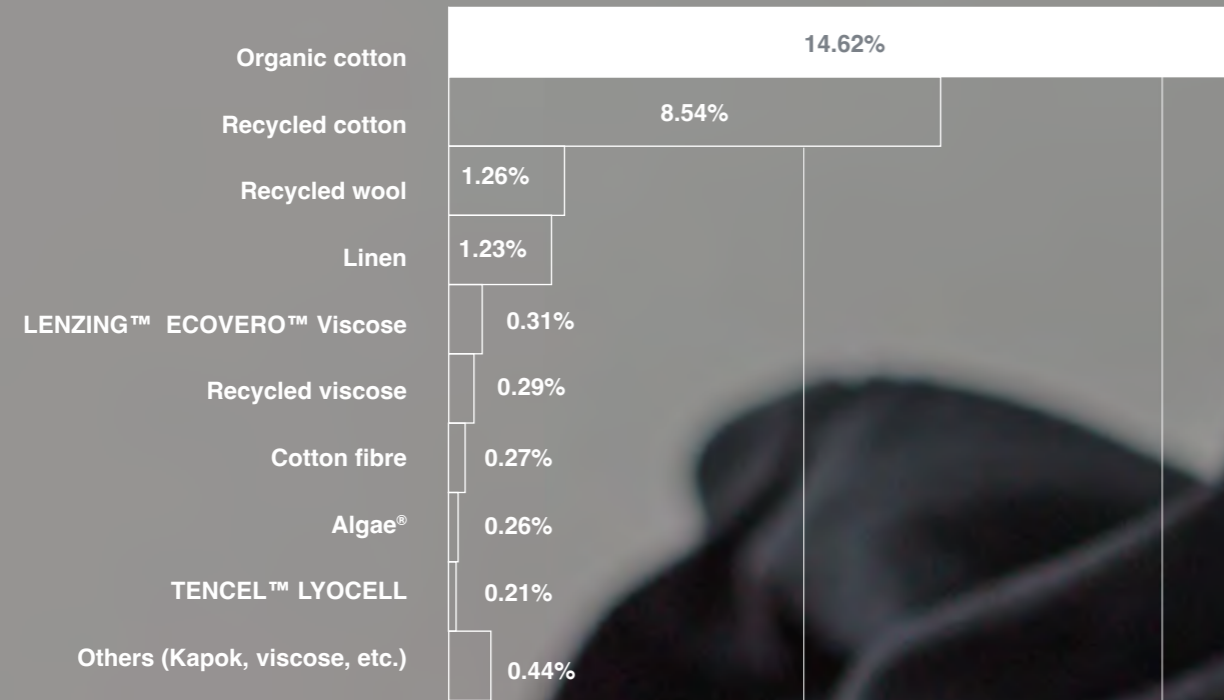


* includes low impact materials such as organic materials, cellulosic fiber, others...



MATERIALS USED IN 2021

→ Renewables



DURING THE
2021 PRODUCTION:

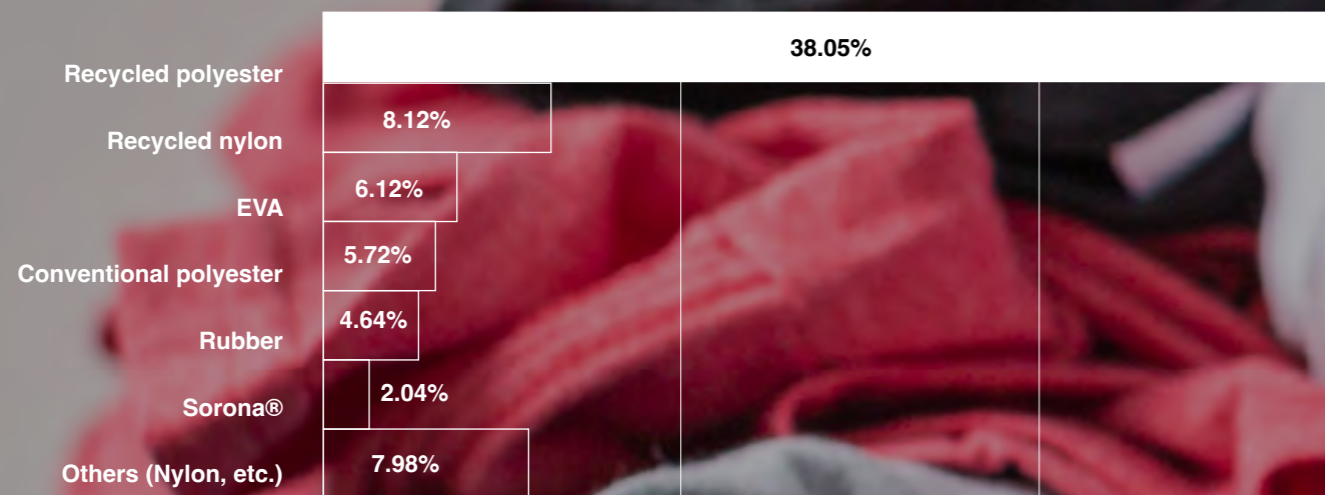
27.33%

of the materials used were
of renewable origin (84.9 tonnes)

72.67%

were of non-renewable origin
(225.8 tonnes)

→ Non-renewables



PREFERRED MATERIALS

1. OCEAN YARN

Recycled polyester from post-consumer marine waste

80% of marine debris is found on the seabed. The Fundación ECOALF was founded in 2015 with the *Upcycling the Oceans* project. This scheme aims to clean up marine debris from the oceans with the help of fishermen and to give plastic waste a second life by recycling it, thus closing the cycle.

We have devoted many R&D years to developing the technology that can transform plastic retrieved from the oceans into our top-quality Ocean Yarn. Only 5-15% of the waste collected is PET (Polyethylene Terephthalate), but as part of our mission to protect our oceans and stop marine pollution, we recover and manage 100% of the marine debris we collect by sending it all to recycling facilities.



100%

Recycled polyester

**OUR OCEAN YARN IS
MADE FROM RECYCLED
PLASTIC BOTTLES
COLLECTED FROM THE
BOTTOM OF THE OCEAN**

2. RECYCLED POLYESTER

Recycled polyester from post-consumer PET

Most of the recycled polyester we use comes from PET plastic water bottles. These bottles are recycled through a mechanical process that breaks them down into flakes, then pellets, and finally into high-quality yarn.

By using recycled polyester we save a considerable amount of water and prevent the release of a significant volume of CO₂eq gases into the atmosphere. The recycled polyester we use is post-consumer polyester.

By using recycled polyester instead of conventional polyester, in addition to giving the waste a second life, we reduce the number of processes, which leads to savings in water and energy consumption and CO₂eq emissions.



50%

of materials used in our
2021 collections are Recycled
polyester*

*According to our in-house methodology

**SOME OF OUR
PRODUCTS ARE
ALREADY MADE FROM
RECYCLED POLYESTER
SOURCED FROM USED
GARMENTS.**

PREFERRED MATERIALS

3. RECYCLED NYLON

Although our preferred type of recycled nylon is that which comes from abandoned fishing nets found in the ocean, this material is in short supply. Therefore, we also include nylon made from the fabric waste generated in manufacturing processes, as well as from post-consumer waste such as used carpets. This waste is collected and transformed into new yarn that has the same characteristics as virgin nylon.

We work in collaboration with ECONYL® in the production of our garments that are made with yarn that produced from abandoned fishing nets. Through this project, discarded fishing nets are collected, preventing their abandonment after they have become broken and can no longer be used, and they are given a new life.

Recycled nylon drastically reduces the number of steps in the production process, resulting in a reduction of up to

80% of CO₂eq emissions.

60% of the water used when virgin nylon is employed. Furthermore, it can be recycled once again.



13%*

recycled nylon used in the 2021 collections.

*According to our in-house methodology.

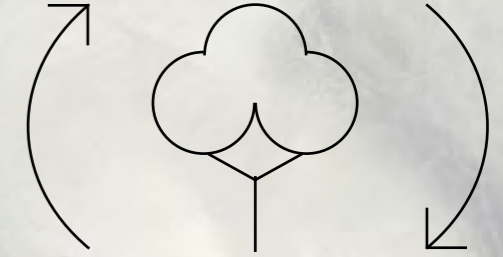
4. RECYCLED COTTON

One of the greatest environmental impacts of the textile industry occurs during the process of sourcing and processing cotton, due to the great volumes of water required for its cultivation and the scouring, bleaching, production and dyeing processes.

Most cotton is grown in developing countries where part of their populations already find it difficult to access drinking water. More than half of cotton fields are grown artificially and up to 90% of the water used to irrigate the plantations is potable water.

Recycling cotton avoids the entire cotton-growing stage, thus substantially reducing its environmental impact in terms of CO₂eq and water use. Cotton is mechanically recycled into fibres that are re-spun and rewoven.

We continue to work to develop more fabrics using recycled cotton and to increase the percentages of recycled materials we use, but without compromising on quality.



Up to 90%

less water used*

*Percentage saved based on our analysis of the EOCALF Great B T-shirt

5. RECYCLED WOOL AND CASHMERE

Wool is recycled through a mechanical process similar to that used for cotton. The higher the quality of the wool waste from which we recycle, the better the resulting quality of our garments. In our knitwear collection, we use recycled wool and *cashmere* to improve the end quality of the product.

This way, we avoid the use of virgin fibres of animal origin, in line with our commitment to animal welfare. By using recycled raw materials, we also reduce our environmental impact and our use of resources.



ECOALF HAS BEEN AWARDED THE PETA APPROVED VEGAN SEAL BY THE ANIMAL RIGHTS ORGANISATION PETA (PEOPLE FOR THE ETHICAL TREATMENT OF ANIMALS).

6. RECYCLED POLYESTER + S.CAFÉ®

Recycled polyester from post-consumer PET and post-consumer coffee grounds

At ECOALF, we work in collaboration with the company that has patented the sustainable S.CAFÉ® technology, which allows coffee grounds to be recovered through their use in textiles.

The grounds from coffee shops go through a process of pressing and drying and the oil is removed. Once compacted, the coffee powder is converted into pellets which are mixed with the PET granules that are subsequently made into yarn.

THE YARN PRODUCED HAS ALL THE NATURAL PROPERTIES OF COFFEE: QUICK DRY, UV-RAY PROTECTION, AND ODOUR CONTROL WITHOUT THE NEED OF CHEMICAL TREATMENTS



PREFERRED MATERIALS

7. RECYCLED TYRES

ECOALF *flip-flops* are unique on account of their innovative manufacturing process. They are the result of two years of R&D+i in collaboration with Signus and the Technological Centre for Shoes of La Rioja.

The tyre recycling process is a complex one because they contain a combination of materials such as textiles and metals. Once the rubber has been separated from the rest of the components, a powder is obtained with a specific grain size that can be compacted into sheets by using only heat and pressure, with no need for any glue or other type of adhesive material.



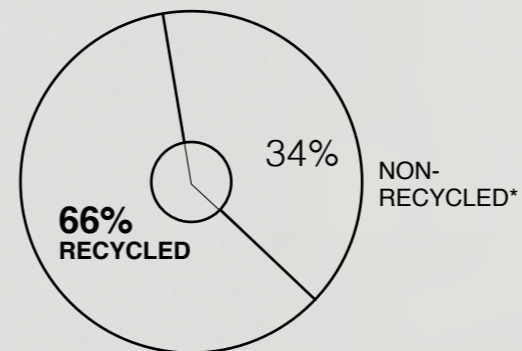
2 years

of innovation

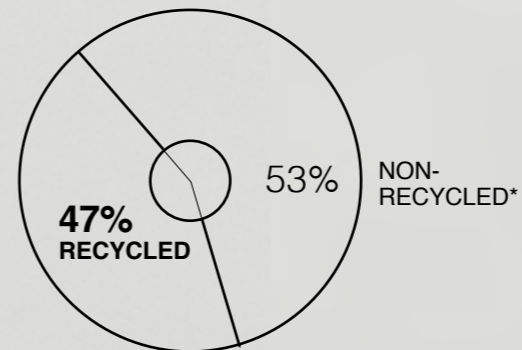
A COMPLETELY INNOVATIVE PROCESS RESULTING IN A 100% ECO-FRIENDLY END PRODUCT, DESIGNED, DEVELOPED AND PRODUCED IN SPAIN.

USE OF RECYCLED MATERIALS IN THE COLLECTIONS (ACCORDING TO WEIGHT)

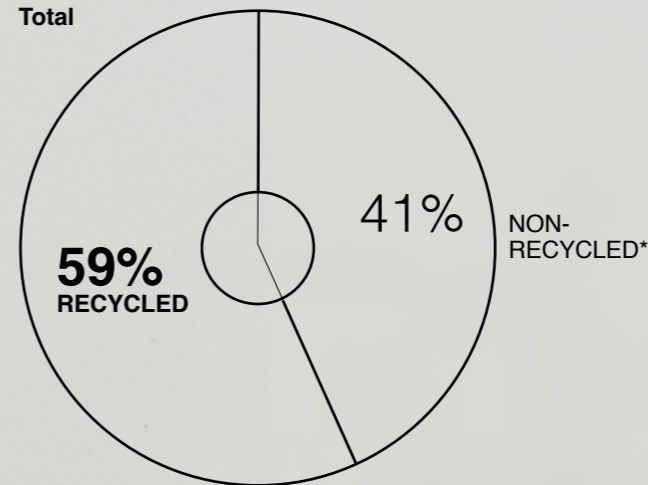
Autumn-Winter Collection 2021



Spring-Summer Collection 2021



Total



*includes low impact materials such as organic materials, cellulosic fiber, others...



- 1
- 2
- 3
- 4
- +

RECOMMENDED MATERIALS

8. SUSTAINABLE VISCOSE

Conventional viscose is produced from cellulose and its production requires aggressive chemical treatments. As an alternative, LENZING AG has developed sustainable viscose from certified forests with environmental and social guarantees. In addition, the processes to which the wood pulp is subjected are closed-loop, meaning that the water and chemicals used are recovered.



9. NATURAL FIBRES

Use of fibres such as hemp, linen and kapok, the cultivation of which does not require chemicals or excessive water consumption. 100% of the linen plant can be used, which means no waste is generated.



10. BIOPOLYMERS

Use of SORONA®, a polymer produced from biomaterials, partially based on waste generated in maize production. By using this material, which can be recycled, the percentage of raw materials of fossil origin is reduced.



LEAST RECOMMENDED MATERIALS

11. ORGANIC COTTON

Although our preferred material is recycled cotton, we occasionally mix it with organic cotton in order to obtain certain fabric qualities. The use of fertilisers and chemical pesticides are not permitted with organic cotton, nor are genetically modified seeds, which consume more water and reduce biodiversity.



MATERIALS CERTIFICATES OF ORIGIN

At ECOALF, we work with these certificates in order to guarantee the origin of our materials:

Global Recycled Standard (GRS): ensures the chain of custody of recycled materials along the supply chain (Textile Exchange).

Organic Content Standard (OCS): ensures the chain of custody of organic materials along the supply chain (Textile Exchange).

Global Organic Textile Standard (GOTS): ensures the chain of custody of organic materials along the supply chain (Textile Exchange).



At ECOALF, we hold the GRS and OCS certificates at the corporate level, and we are audited annually by the ICEA (Istituto per la Certificazione Etica ed Ambientale) certification body. This audit assesses the management processes of the products certified under these standards, as well as our own environmental and social management.

We ask our suppliers for certificates issued by international bodies that verify the origin of the materials used in the collections, whether they are supplier certificates or transaction certificates, to ensure that the recycled or organic material has been preserved all throughout the different processes: from fibre to yarn, from yarn to fabric, from fabric to garment.

In 2021, we took the decisive step of completing the supply chain for specific products by producing them wholly in GRS and OCS certified facilities, which allowed us to begin labelling the finished product with these certificates.

The traceability of our products is evaluated by BCOME, a platform where we record all the data generated during the production of our items. As a result, we obtain the life cycle analysis of each product, which allows us to generate impact data for our collections and add an additional verification to the traceability of the supply chain.

1
2
3
4
+



RESTRICTED SUBSTANCES AND VEGAN GUARANTEE

The List of Restricted Substances and Vegan Guarantee is mandatory for all our suppliers with wet dyeing processes, whether of finished garments or materials. The list was published in 2017 and was updated in 2020 and 2021.

The list is drawn up according to the most restrictive worldwide regulations (it also includes certain chemicals that are not banned internationally, but about which there are studies pointing to their potential hazardousness):

- REACH (Registration, Evaluation, Authorization and Restriction of Chemical products)
- EPA (Environmental Protection Agency)
- CPSC (The United States Consumer Product Safety Commission).

In 2021 we added our Vegan Guarantee to the list to ensure that none of our products contain animal-sourced ingredients, with the exception of those that include recycled wool and cashmere, the only animal-sourced materials currently used at ECOALF.



100%

of ECOALF
products are free
from harmful substances.

**AT ECOALF, WE WANT
WHAT'S GOOD FOR YOU TO
ALSO BE GOOD FOR THE
PLANET; CONTROLLING THE
CHEMICALS USED IN THE
SUPPLY CHAIN IS A PRIORITY
FOR US.**



PRIMARY RESTRICTED SUBSTANCES:

70 Pesticides

24 Azo-amino compounds

15 Volatile organic compounds

19 Chlorinated phenols

21 Phthalates

17 Tin organic compounds

12 Arylamines with carcinogenic properties

24 Polycyclic aromatic hydrocarbons

21 Prohibited flame retardants

15 PFC's, per- and polyfluorinated compounds*

157 Dyes

FURTHER ACTIONS TO CONTROL THE USE OF CHEMICALS

- We study and apply for the relevant certificates for each case, always making sure we hold the most up to date certificates. Suppliers with wet processes are required to have at least one certificate of responsible chemical management, such as the OEKO-TEX Standard 100®, Bluesign® and the ISO14001.
- Chemical analyses of both fabrics and finished garments are conducted in collaboration with external specialised companies and laboratories.
- Eco-design of our garments. The design of our garments takes account of the chemicals that may be needed for their manufacture and based on this, the decision is made on whether to go ahead with the design or to modify it to reduce its impact.

74%

of our suppliers includes wet process

100%

of these suppliers have signed the Restricted Substances List

*Since 2017, when we launched our Restricted Substances List and Vegan Guarantee, we have restricted the use of PFCs - the highest impact substances in the PFAS and POAFS group, which are currently banned - and have limited our use of those with the lowest impact. Our goal is to gradually reduce our use of the less hazardous substances in this group, until they are completely eliminated from our collection by 2025.

3.2. RESPONSIBLE SUPPLY CHAIN

**OUR SUPPLIERS SHARE
OUR VALUES, MEET OUR
STANDARDS AND WORK WITH
US TO CONTINUE TO IMPROVE.**



OUR SUPPLIER PROFILE

At ECOALF we divide our production suppliers into different levels (TIERS) depending on the stage of the process where our business relationship is established.

PRODUCTION TIERS

TIER 5. Raw material

They cultivate and extract raw materials from sources of natural origin: organic cotton, linen, sustainable viscose, among others. In the case of recycled materials, these sources include waste to be recycled, including either post-industrial or post-consumer waste.

TIER 4. Fibre

They process the raw materials into fibre suitable for spinning.

TIER 3. Yarn

They work with the fibre to turn it into yarn.

TIER 2. Fabric

They convert the yarn into fabric ready for garment manufacture (weaving process).

TIER 1. Manufacture

They make the final garments from the fabrics and yarns produced in the previous stages.

They are also responsible for packaging and shipping the finished products to the destination.



While our business transactions are usually limited to TIER 1 suppliers, ECOALF carefully selects and validates all suppliers involved in the manufacturing of the finished product at TIER 1, 2 and 3. Likewise, we are responsible for the complete traceability of the raw material - be it fibre, yarn, fabric or final garment - and we closely monitor all stages of the process.

27

Production suppliers

23

Service suppliers

27 M€

paid to suppliers in 2021

LAST YEAR WE WORKED WITH 50 SUPPLIERS*

*Suppliers with direct transactions

1
2
3
4
+

LOCATION OF SUPPLIERS*

*Information relates to production suppliers

Bangladesh (TIER 1)

China (TIER 1 and 2)

South Korea (TIER 2)

Spain (TIER 1)

Hong Kong (TIER 2)

India (TIER 1)

Morocco (TIER 1)

Portugal (TIER 1 AND 2)

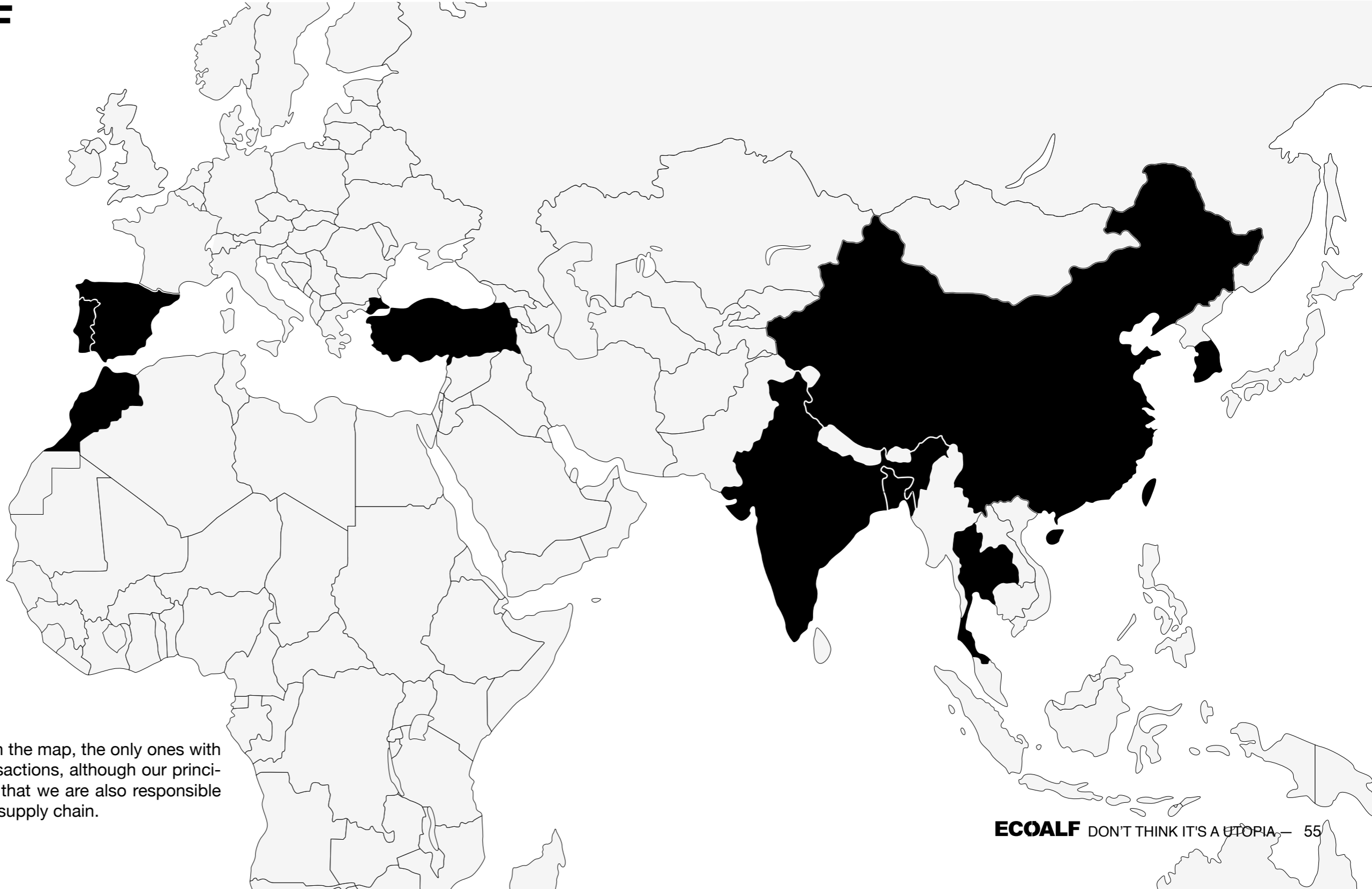
Thailand (TIER 2)

Taiwan (TIER 2)

Turkey (TIER 1)

*Information relates to production suppliers

TIER 1 and 2 suppliers are shown on the map, the only ones with whom we have direct business transactions, although our principles and ethical commitment mean that we are also responsible for selecting TIER 3 suppliers in our supply chain.

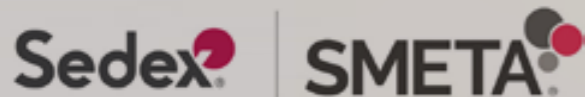


SUPPLY CHAIN CERTIFICATION

SOCIAL RISKS



Amfori BSCI is a Code of Conduct based on the labour standards of the International Labour Organisation, the United Nations International Bill of Human Rights and other key human rights standards.

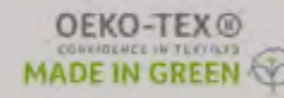


SMETA (Sedex Members' Ethical Trade Audit) is a methodology for ethical auditing of all aspects of trade practice. It uses the ETI (Ethical Trading Initiative) Base Code, based on International Labour Organisation standards as well as local laws. The mandatory pillars for any SMETA audit are Labour Regulations and Health and Safety.



SA8000. International certification standard that encourages companies to develop, maintain and implement socially acceptable workplace practices.

ENVIRONMENTAL RISKS



OEKO-TEX®.Independent system that verifies that no harmful substances are present either in the textiles or at any of the product manufacturing stages. The materials used, the applicant company, the quality guarantee and the production processes are analysed.



ISO 14001.Environmental Management System for the protection of the environment in compliance with legal requirements. It also applies principles of continuous improvement, such as reducing the use of chemicals.



Bluesign is focused on reducing environmental impacts throughout the entire production process.

OUR TRACEABILITY SYSTEM



Minimising risks and impacts along our supply chain is only possible if we understand and monitor every single process. We validate, nominate and control all processes in the chain: yarn, fabric and product.

OUR TRACEABILITY SYSTEM ENABLES US:

- Complete visibility of the supply chain: where, by whom and how our product is manufactured in each of the processes.
- To appoint and validate of each of our manufacturers, including garment and raw material.
- To reduce the risks connected with each production stage. To require certifications of proper environmental and social management.
- Continuous improvement to select the best suppliers in terms of sustainability.
- To work together with each supplier to minimise impacts and to control the materials and their sub-suppliers.
- Long-lasting and trusting relationships with our suppliers.
- Conversion of the data obtained into impact measurement in order to improve the following production processes:
 - Accountability to our customers.
 - Strengthen our commitment to protecting natural resources.

POTENTIAL IMPACTS LINKED TO THE SUPPLY CHAIN:



Environmental impacts

- Water consumption
- Electricity use
- Waste
- Emissions into the air
- Waste generation
- Use of materials
- Use of chemicals
- Land occupation
- Release of microfibres
- Impact on biodiversity



Social impacts

- Among TIER 1 or finished garment suppliers: related to labour intensity
- In some countries: risk of not meeting basic rights as required by the ILO and the United Nations.

1
2
3
4
+

ACTIONS TO MONITOR TRACEABILITY:

→ **Basis of the Supplier Selection Policy:**

- **Sustainability Commitment.** Based on the ILO Fundamental Conventions as well as the UN Universal Declaration of Human Rights. Signing the Sustainability Commitment includes the acceptance of the accountability of all the supplier's outsourced and in-house processes.
- **Restricted Substances List and Vegan Guarantee** With their signature and acceptance, suppliers undertake to comply in all cases with our list with regard to the use of chemicals.
- **Information document on risk prevention and our Preferred Materials List.**
- **Supplier pre-assessment.** We require our potential future suppliers to provide information about the certificates they have and to provide us with them for verification. In the case of a garment supplier, it must have an international social audit and this audit will be validated by the ECOALF team. If the supplier carries out wet processes, they must always have a certificate that guarantees their sound environmental record, especially regarding their use of chemicals. Furthermore, the materials must possess a certificate of guarantee of origin, which will also generally verify their responsible social and environmental management.

- **Review of suppliers to be engaged in the production** every 6 months.
- **Revalidation of suppliers** checking that required certificates are valid and up to date.
- **Monitoring of the supply chain** with a system for tracking each product (yarn, fabric and product).
- **Tracking assessed by BCOME** and impact data associated with each product is extracted.
- **Monitoring of certificates** of origin of raw materials – GRS for recycled materials and OCS for organic materials - as far as the finished product.
- **In-house training of purchasing department** on traceability in the supply chain, risk detection and supplier nomination and validation.

BCOME: LEARN MORE FOR IMPROVED MANAGEMENT

The BCOME platform allows us to better understand - from a Life Cycle Assessment (LCA) perspective - the environmental impact of each product in terms of emissions, water consumption and waste management, among other aspects.

The LCA developed by BCOME incorporates four stages reflecting the ISO14040 and 14044 standards: definition of objectives and scope, life cycle inventory, life cycle impact assessment, and interpretation of the results of the analysis.



SUSTAINABILITY COMMITMENT



We ensure that each party involved in the supply chain respects our values and complies with our Sustainability Commitment that is based on the Fundamental Conventions of the International Labour Organisation and the United Nations Universal Declaration of Human Rights.

The Sustainability Commitment applies to direct operations and subcontractors of business partners that have a contractual business relationship with ECOALF. By signing the document, suppliers undertake to comply with the legislation in force in each territory, as well as to continuously improve in terms of environmental and social accountability.

Suppliers also undertake to inform ECOALF of their entire supply chain and all facilities involved in production (name, address, activity, certifications and any other information requested).

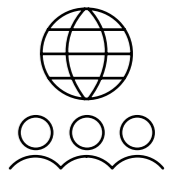
Suppliers' Sustainability Commitment:

- **Health and Safety** of the workforce.
- Respect for **personal dignity, privacy** and workers' **rights**.
- **Decent pay** (or Living Wage).
- **Working hours** in line with the country's legislation or the collective bargaining hours applicable in the industry.
- **Regulated employment** in accordance with the laws in force in each territory.
- **Freedom of association and collective bargaining**.
- **Prohibition of child and forced labour**.

- **Non-discrimination** on the grounds of race, nationality, religion, age, pregnancy, gender identity, sexual orientation, or any other personal characteristic.
- **Environmental protection** in compliance with local and international legislation in force and prohibition of cruelty to animals.
- **Ethics:** any form of corruption, extortion and/or embezzlement is strictly prohibited.

ECOALF may assess compliance with this commitment through third party audits carried out by international bodies, as well as by its own staff during their regular visits. As a result of the assessment, the supplier may be requested to implement improvement measures and/or provide evidence of remedial measures.

100%



of suppliers have signed the sustainability commitment

1
2
3
4
+

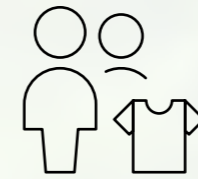
HUMAN RIGHTS: FULL COMMITMENT

At ECOALF we take responsibility for practicing human rights due diligence; we identify potential risks and impacts in the supply chain and work to mitigate them.

Given the nature of the production chain, there may exist social risks for employees working in the suppliers' facilities and environmental risks may result from the processes carried out, which could negatively affect the health of the factory workers.

Social risks are mostly concentrated in TIER 1 or garment suppliers, as these usually employ the largest workforce. Environmental risks are generally present throughout the rest of the suppliers.

33



people involved in the manufacture of a ECOALF T-shirt

The potential social risks that may arise across the supply chain are linked to:

- Poor health and safety conditions in the workplace.
- Bullying or inhumane treatment.
- Failure to pay a living wage.
- Long working hours.
- A lack of employment regulations.
- No freedom of association and collective bargaining.
- Forced labour.
- Child labour.
- Discrimination.

1
2
3
4
+

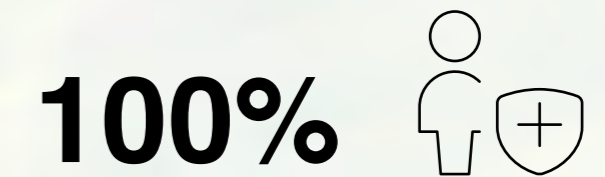
IT IS ESSENTIAL THAT ECOALF IS AWARE OF THE WORKING CONDITIONS OF WORKERS AT SUPPLIERS' FACILITIES, AND THAT THE CRITERIA SET OUT BY THE UNITED NATIONS DECLARATION OF HUMAN RIGHTS AS WELL AS THE INTERNATIONAL LABOUR ORGANISATION ARE MET AND RESPECTED.



Respect for these initiatives is part of our commitment to the planet and people, because we believe that all our actions should be aligned with our goal to generate a positive impact on society, the people living in it, and the environment. Such is our commitment that we have included it in our company statutes.

1
2
3
4
+

ECOALF does not own any factories, so we therefore we rely on the cooperation of our suppliers to meet our requirements in respect of human rights. Signing our policies, which set out these rights, is a prerequisite for working with us. If a supplier does not sign up to this commitment, we do not work with them.



of operations subjected to human rights assessments in 2021

ECOALF GOALS AND TARGETS



→ Broadening of environmental criteria for the selection of suppliers. Until now, suppliers were only rated positively:

- Energy efficiency
- Water use efficiency
- Renewable energy use Preferred selection of suppliers with decarbonisation plans. From here forward, this will be a criteria for exclusion.

→ Procurement of net zero raw materials

→ Introduction, in 2022, of a Textile Footprint calculation plan, based on the measurement, reduction and recovery of textile waste generated in the factories where we work. Project in collaboration with T_Neutral

→ Partnerships with net zero logistics suppliers or ones with a low environmental impact

→ Bringing production closer to Europe

IT'S CHANGE

4

In the workforce 4.1

In the community 4.2

In the ECOALF Foundation 4.3

On the planet 4.4

Rather than
talk about things
we prefer to do them



→ Don't
think it's a
utopia

4.1. IN THE WORKFORCE

The ECOALF values must remain firm during the company's continuous growth and expansion. That is why we are working on the ECOALF culture to ensure a leadership that will safeguard our DNA and protect the planet.

We have a number of mechanisms for managing our workforce:

- [Code of Conduct.](#)
- [Equality Scheme.](#)
- [Crime prevention handbook.](#)
- [Disciplinary System](#), which ensures legal compliance, integrity, honesty and transparency.
- [Bullying at work protocol](#), to prevent, avoid, eradicate and report this type of conduct and to ensure that the dignity of everyone is respected. Updated in November 2021.

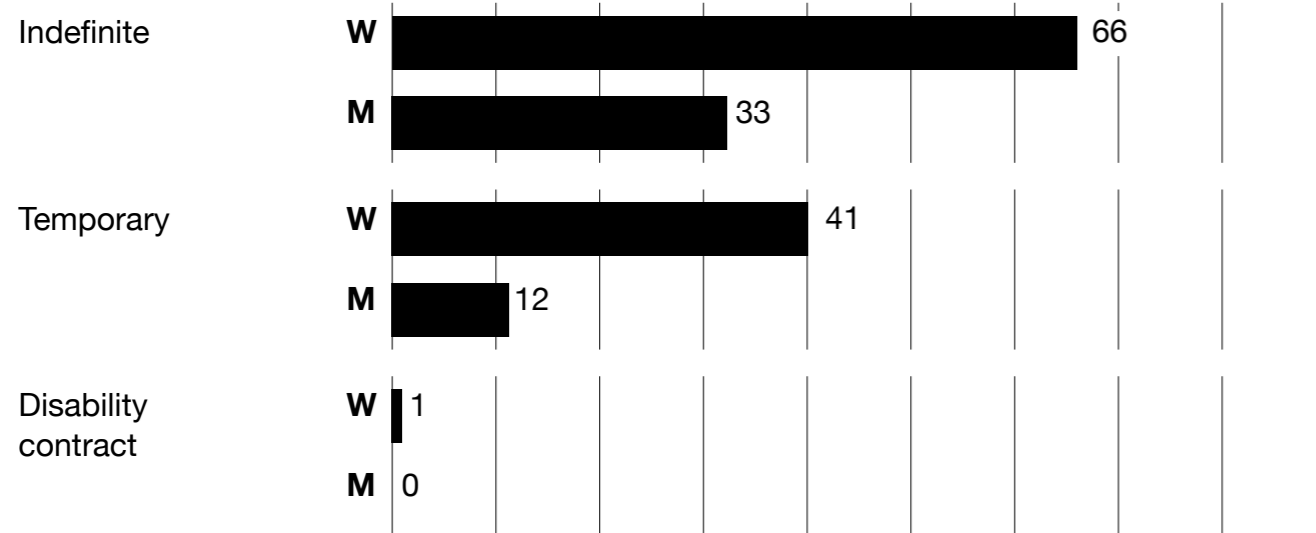
**ECOALF IS BEING BUILT
DAY BY DAY THANKS
TO THE CONTINUOUS
EFFORT OF THE WHOLE
TEAM.**

**THE BEST PEOPLE
FOR THE PLANET.**

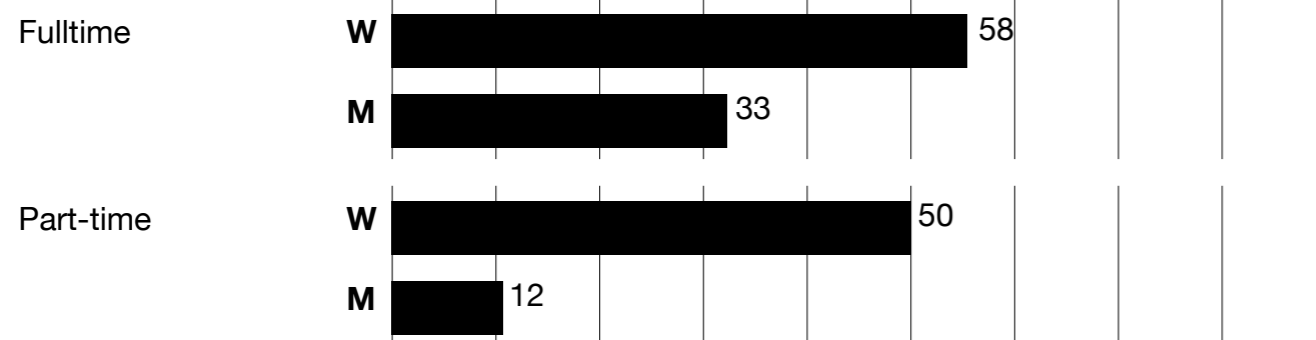
**TRAINING, INSPIRATION
AND A SAFE AND
HEALTHY WORKING
ENVIRONMENT.**



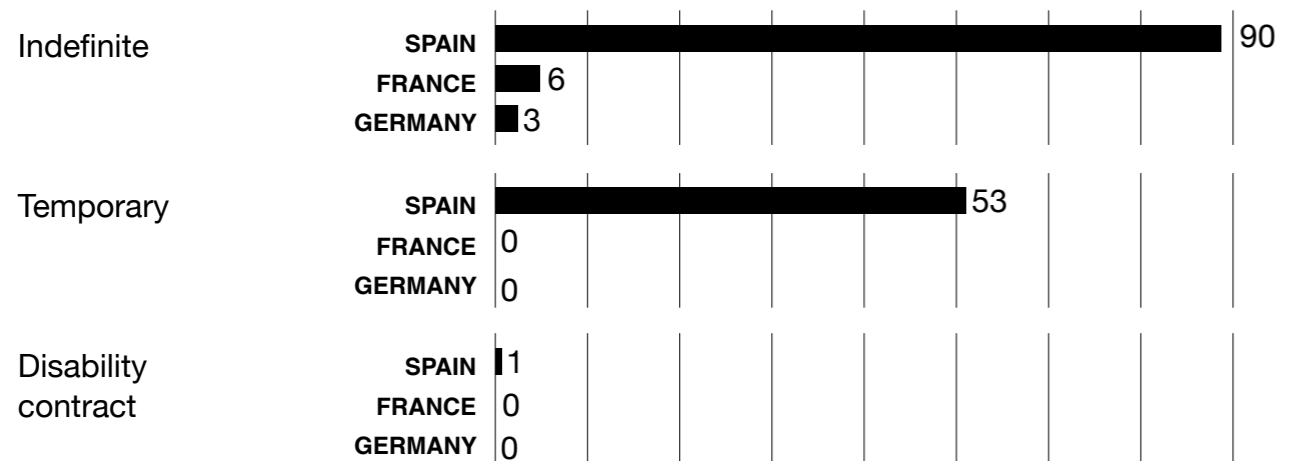
EMPLOYEES BY CONTRACT TYPE AND GENDER




EMPLOYEES ACCORDING TO WORKING HOURS AND SEX



EMPLOYEES BY CONTRACT TYPE AND REGION



153 

people on payroll

45 Men



108 Women



1
2
3
4
+

EQUAL AND DIVERSE



ECOALF implements an Equality Scheme which operates in all centres of work.

ECOALF's Equality Policy identifies the development of labour relations based on equal opportunities and non-discrimination as a strategic goal, providing a supportive environment for it, respecting current law, and pursuing best practices.

**DIVERSE, NON-
CONFORMIST
AND COMMITTED
TEAMS.**

EQUALITY SCHEME

GOALS

- To ensure equal treatment and opportunity for men and women in terms of access, recruitment, training, and professional advancement.
- To guarantee and ensure that Human Resources management does not deviate from the applicable legal requirements on equal opportunities.
- To support the professional development of men and women in the company.
- To promote ECOALF's values and culture with regard to equal opportunities.
- To promote and ensure the implementation of the measures introduced with regard to work-life balance.
- To advance co-responsibility between men and women.
- To ensure non-discrimination in pay based on gender.



WE PROTECT AND CARE FOR OUR PEOPLE

**OUR TEAM,
FIRST AND FOREMOST.**

**HEALTH AND SAFETY
IN THE WORKPLACE.**

At ECOALF we work with an outsourced service that conducts regular inspections of all our own workspaces in order to identify possible risks to the health and safety of our employees, and which proposes areas for improvement and a plan for their implementation and monitoring. According to the risk assessment, some of the major impacts in our offices and shops are related to the use of technology and workplace physical health care. With regard to shop personnel, the risks are those associated with the possibility of falling from a different level or from moving heavy loads, among others.

Workers' training needs are assessed periodically by the risk prevention department and are adapted to the potential risks identified. In 2021, fire-fighting and other courses related to ergonomics and health in the workplace were held. The courses are always provided in the language of the worker being trained.

In 2021, we also continued to provide information, recommendations and self-care advice in order to mitigate COVID-19. And every year, we offer our employees the option to undergo a complete medical check-up.



100%
of employees

**RECEIVED TRAINING
ON HEALTH AND
SAFETY IN THE
WORKPLACE**



OTHER BENEFITS FOR THE ECOALF TEAM

MEDICAL INSURANCE

We offer health insurance as part of our flexible remuneration package, subject to certain criteria specified by the company.

FLEXIBILITY

In order to reconcile work, personal and family life, people working at ECOALF have a 30-minute flexible start time at the start of the working day, and intensive working hours on Fridays throughout the year.

DISCOUNTS

People working in ECOALF's central services and in the ECOALF shops receive discounts on purchases made under certain company criteria, and on purchases made on their birthday they receive a voucher worth 250 €.

CORPORATE VOLUNTEER WORK

120 members of ECOALF staff took part in volunteer work totalling 360 hours in 2021. They took part in five clean-up activities and 2 restoration projects as part of the Limpia Ríos, Salva Océanos initiative.

HYBRID WORK

Regulated by the remote working policy that enables people to alternate days in the office with remote working days.

FLEXIBLE PAY

In 2021, the ECOALF team were able to benefit from flexible pay thanks to the introduction of the Cobee card.

1
2
3
4
+



4.2 IN THE COMMUNITY

**ECOALF MOVEMENT:
ACTION AND
INSPIRATION.**

**WE INSPIRE AND RAISE
AWARENESS.**

**WE CLEAN THE
OCEANS.**

**OUR COMMUNITY, OUR
PLANET.**



- 1
- 2
- 3
- 4
- +

ECOALF MOVEMENT

Every decision we make has an impact, which is why, now more than ever, they must have a positive impact on the planet. The ECOALF movement brings together individuals who are committed to improving their daily habits to foster change and inspire others to take care of the only planet we have.

1,000,000

people visit the @ecoalf Instagram account each month

ECOALF MOVEMENT



BECAUSE THERE IS NO PLANET B®

1
2
3
4
+



We have managed to generate **over 45,000 posts** from our digital community under the **#BecauseThereIsNoPlanetB** tag.

Although we regularly promote the ECOALF Movement all year round, we occasionally launch educational campaigns on social media with the support of influencers and brand ambassadors to spread the message even wider.

On World Ocean Day we launched a campaign in honour of our fishermen, including a digital gallery and their testimonials. The campaign managed to position itself in 12 articles across the globe, it achieved more than 45,000 visits and had more than 5 million hits thanks to the outreach by influencers and ambassadors such as Kilian Jornet, Eugenia Silva and Blanca Padilla.

Although we regularly promote the ECOALF Movement all year round, we occasionally launch educational campaigns on social media with the support of influencers and brand ambassadors to spread the message even wider.

10% FROM THE SALE OF EACH BECAUSE THERE IS NO PLANET B® PRODUCT IS DONATED TO THE FUNDACIÓN ECOALF. THIS HELPS US TO EXPAND THE UPCYCLING THE OCEANS PROJECT TO THE REST OF THE MEDITERRANEAN.

COMMUNICATION FOR SUSTAINABILITY

OUR COMMUNICATION IS EDUCATION, INSPIRATION AND ACTION.

Through our communications we aim to inspire and educate people. What we do isn't enough, how we do it is what matters! Everything we do, how we do it and why we do it form the DNA of our campaigns. It is how we raise our profile and position ourselves as leaders in a sustainable lifestyle dedicated to the protection of the people and the planet..

We generate a community of people who identify with the values that the brand stands for and who want to be part of the change and the movement.

Through marketing and communication, we help to raise awareness in a clear and effective way about the negative impacts caused by certain consumption habits, while also sharing the positive impacts and savings that we generate by acting responsibly and advocating for the care of the only planet we have.



WE ADAPT OUR COMMUNICATIONS STRATEGY TO REFLECT OUR VALUES:

1
2
3
4
+

- We do not support over-production to ensure stock is always available. We are true to this belief, even if it means losing sales.
- We do not support promotional campaigns that prompt impulsive purchases that ultimately end up in the waste dump.
- Our philosophy is based on encouraging buying better quality items in lower quantities.
- Sustainability, innovation, quality and timeless design form part of our DNA and are a hallmark of durability and responsibility.
- We advocate for a redefinition of the seasonal calendar.

For us, the **user experience** is key within the marketing strategy: the end consumer must feel that the brand not only meets their needs, but that it really cares about the purchase they are making.

Knowing how to listen to our customers is essential in order to satisfy their needs, be relevant and to improve what we do.

NATURAL RESOURCES ARE NOT INFINITE



WORLD EARTH DAY CAMPAIGN

Reach:

+10.9M

→ GQ

→ IO Donna

EVERY DAY SHOULD BE
EARTH DAY.
EACH ONE OF US HAS
THE POWER TO BE
PART OF THE CHANGE.

1

2

3

4

+

WORLD OCEAN DAY CAMPAIGN

Reach:

+46.4M

→ Forbes

→ Vogue

→ ABC

WE ARE AWARE THAT WE ARE NOT
ABLE TO COLLECTED ALL WASTE FROM
THE BOTTOM OF THE OCEAN , BUT WE
CAN INSPIRE OTHERS TO PROTECT
THE OCEANS. RAISING AWARENESS IS
THE MOST POWERFUL TECHNIQUE FOR
CHANGING OUR HABITS.

1
2
3
4
+

BLACK FRIDAY RECYCLING CAMPAIGN

Reach:

+97.4M

- Vanity Fair
- Expansión
- El Mundo

INSTEAD OF OFFERING DISCOUNTS, WE
USE BLACK FRIDAY AS AN OPPORTUNITY
TO SHARE THE TRUE IMPACT THAT THE
FASHION INDUSTRY HAS ON THE PLANET.
IN 2021, THE CAMPAIGN CARRIED THE
TAGLINE *BREAK THE HABIT, NOT THE
PLANET.*

1

2

3

4

+

LOST COLORS CAMPAIGN

Reach:

+177K

→ We MAgazine

THIS COLLECTION REPRESENTS THE
UNIQUE COLOURS OF THE OCEAN,
WHICH ARE BEING LOST DUE TO RISING
TEMPERATURES, POLLUTION AND
DEBRIS. WE PROVIDE DATA ABOUT
WHAT THIS MEANS FOR OUR MARINE
ECOSYSTEMS.

1
2
3
4
+

RAISING AWARENESS ABOUT OUR LIMITED RESOURCES

Reach:

+234.2M

→ Instagram

→ Instagram

OUR AUTUMN-WINTER CAMPAIGN UNDERLINES THE IMPORTANCE OF USING OUR LIMITED RESOURCES EFFICIENTLY AND REDUCING THE AMOUNT OF WATER WE CONSUME AND GREENHOUSE GASES WE GENERATE.

1
2
3
4
+



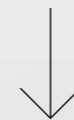
MARKETING AND LABELLING

A RESPONSIBLE PRODUCT IS NOT VISIBLE TO THE NAKED EYE.

IF WE DID NOT TELL YOU THAT IT IS MADE FROM GARBAGE, YOU WOULD NEVER KNOW.

WE ARE ACCOUNTABLE AND WE TELL YOU WHAT ENVIRONMENTAL AND SOCIAL IMPACT OUR PRODUCTS HAVE.

ECOALF customers have access to information on the **environmental impact as well as on the social values of our products**. On our website, we provide details about how environmentally, socially and ethically efficient each garment is. We provide information about the responsible management of the chemicals used in its manufacture, about the labour conditions in the factories where the garment is manufactured and about environmental management, specifying its carbon footprint, its water footprint and the release of other chemicals that contribute to the eutrophication of the environment.



The **BCOME Rating System** assesses ECOALF's environmental, social, and ethical efficiency based on the sustainability initiatives executed across its value chain, where a score of over 0% already indicates a positive impact.

Furthermore, all our garments provide information about:

- The place of manufacture
- Composition of the components of the garments, indicating their origin (recycled, organic, others, etc.)

On our labels, we also provide information and raise awareness among our clients about the amount of water and CO2 emissions saved by each garment. All garments have a QR code so that customers can access to this information at all times.

4.3. AT ECOALF FOUNDATION

The Fundación ECOALF is a non-profit organization. Its aim is to promote the recovery of marine waste in order to recycle it, reuse it and avoid its harmful impact on the environment, through the development and application of new scientific and technological knowledge.

The story of the ECOALF Foundation is the story of **Upcycling the Oceans**, an unprecedented global adventure that was launched in the Mediterranean in 2015. Its goal is to rid the ocean of all the marine waste with the help of the fishing industry, and to give plastic waste a new life through recycling and the circular economy. The Foundation also promotes the "**Limpia ríos, salva océanos**" project, and takes part in other waste management, environmental awareness and R&D projects together with organisations which share its values and objectives.



- 1
- 2
- 3
- 4
- +

+680

Boats taking part in the Upcycling the Oceans project.

+1000 Tn

rubbish recovered from the seabed under the Upcycling the Oceans project.

8.4 Tn

of waste collected from rivers thanks to the "Limpia ríos, salva océanos"

474

volunteers took part in the "Limpia Ríos, Salva Océanos" project.

UPCYCLING THE OCEANS

Upcycling the Oceans is a revolutionary project that aims to recover the debris that is destroying our oceans and to transform it into premium quality yarn that can be used to make garments.

**OUR GREATEST
ADVENTURE:
TO ELIMINATE THE MARINE
WASTE FROM THE BOTTOM
OF THE OCEANS.**

**WE HAVE THE SUPPORT OF
THOSE WHO KNOW MOST
ABOUT THE SEA:
THE FISHERMEN.**

This pioneering initiative has a three-fold objective:

- To eliminate the waste that harms marine ecosystems from the oceans.
- To give a second life to recovered waste through the circular economy.
- To raise awareness about the global problem created by marine debris.

The major challenge facing this project is the low quality of the waste recovered due to its exposure to sunlight, salt and water. R&D investment is essential to achieve the quality required by the ECOALF standards.

In addition to marine debris recovery, Upcycling the Oceans delivers scientific information to increase understanding of the problem in order to implement preventive actions.

Through the voluntary involvement of part of the fleet, the Marnoba platform is used to identify the type of waste found on the seabed is.

FROM WASTE TO RESOURCE: THE PROCESS

1
2
3
4
+

1. Retrieval

Fishermen retrieve the waste from the seabed

2. Sorting

The marine waste is classified and sorted into the different materials

3. Recycling

PET plastic bottles are processed into plastic granules

4. Yarn spinning

The plastic granules are converted into filament

5. Weaving

The fabric is woven with 100% recycled polyester filament

6. Production

The ECOALF garments are designed and produced



UPCYCLING THE OCEANS IN SPAIN

40

ports

+2.500

fishermen

+850

tonnes of waste

Upcycling the Oceans Spain was launched in September 2015 by the Fundación ECOALF as a pilot scheme in which 9 fishing ports took part. One year later, it joined the **ECOEMBES** project to roll it out across the entire coast of Spain and to ensure the proper management of all the waste recovered.

OUR ACHIEVEMENTS IN SPAIN

	2015	2016	2017	2018	2019	2020	2021
Trash	23	54	113	140	152	180	190
Ports	9	9	32	37	40	40	40
Boats	165	165	462	546	550	573	573
Fishermen	743	743	2079	2534	2600	2575	2581

INTERNATIONAL EXPANSION OF UPCYCLING THE OCEANS

In 2017, the project expanded to **Thailand** with the backing of three partners: Tourism Authority of Thailand, Glibak Chemical Public Company Limited and the Fundación ECOALF. Over the course of three years, more than 1,000 volunteers and 490 divers worked together to retrieve 2.5 tonnes of debris from the seabed. The initiative entered a new phase in 2021, supporting the circular economy and the sustainable use of plastic.

In 2020, the project extended to **Greece**, through Enaleia, under the name of “Mediterranean Clean Up”. 13 ports and more than 550 fishermen have joined the scheme and 120 tonnes of rubbish was collected during 2021.

In the same year, the project came to **Italy** with the support of Conad Nord Ovest. A total of 14 tonnes of waste was recovered with the assistance of 60 fishermen and 15 fishing boats.

Finally, **France** joined the programme towards the end of 2020, with the Julius Baer Foundation's backing and the goal of developing a network of ports and fishermen in the country. In 2021, Fondation de la Mer became a partner in the scheme's implementation, with the goal of starting waste recovery in 2022 and working with 15 ports by the end of the year.



OUTCOMES OF THE UPCYCLING THE OCEANS PROJECT.

1
2
3
4
+



54

ports

+650

boats

+3,300

fishermen

+1.000

TNs of waste since 2015

LIMPIA RÍOS, SALVA OCÉANOS

**WE AIM TO RESTORE
MARINE ECOSYSTEMS
THROUGH WASTE
COLLECTION, RAISING
AWARENESS AND
ENVIRONMENT
RESTORATION.**

**WE ARE COUNTING ON
YOU.**

“Limpia ríos, salva océanos” is a participatory project that organises waste collection and environmental restoration days for all kinds of groups.

Since the scheme was launched in November 2020, 26 working days have been held, with the help of 556 volunteers, and 9 tonnes of waste have been collected. 19 of the 26 working days were held in 2021 during which 7 tonnes of waste were recovered.

The project also includes actions to remove of invasive species that disrupt biodiversity, the installation of bird nesting boxes and the repopulation of the environment with native species. In the scientific field, actions aimed at monitoring microplastics and promoting citizen science are conducted.

Within the framework of “Limpia ríos, salva océanos”, corporate volunteering days are also held for companies and other entities that wish to join the project by taking part with their teams.

The project was set up by the Fundación ECOALF and BIOTHERM, in conjunction with the assistance and experience of the LIBERA Project, to improve the environmental state of rivers.





AWARENESS-RAISING ACTIONS

The Fundación ECOALF is involved in various activities to raise awareness of the problem of waste and the damage it causes to marine ecosystems, as well as the role the circular economy plays in finding solutions.

The Foundation gives lectures all over the world and participates in round tables, workshops, talks and exhibitions for all kinds of audiences, including children.

SCHOOLS

COUNTRY	CITY	STUDENTS	STAGE
Spain	Madrid	95	Secondary
	Madrid	163	Primary
	Barcelona	96	Primary
	Alicante	26	Secondary
France	Contres	12	Secondary

CONTENT

- Marine waste
- Circular economy
- Good practice: reduce, reuse and recycle
- Upcycling the Oceans and “Limpia ríos, salva océanos” projects

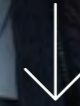
CORPORATE VOLUNTEER WORK

- 10 students from the Vogue Condé Nast master’s course
- 67 Arcano employees
- 57 Fundación Carolina employees
- 22 Sephora employees

4.4. IN THE PLANET

**DON'T
THINK
IT'S A
UTOPIA**

**BECAUSE THERE IS
NO PLANET B®**



**MITIGATING
CLIMATE CHANGE.**

**USING WATER
RESPONSIBLY.**

**PROMOTING THE
CIRCULAR ECONOMY.**



We operate our business with a strong commitment to the environment, consistently making decisions to minimise the negative impact of our activities. We comply with all the standards established by current environmental regulations and the standards set by ECOALF itself. We also ensure that suppliers comply with international, national and local environmental regulations and that the products we sell to our customers are safe, beneficial and free from any substances that might be harmful to health or the environment.

**WE AIM TO BECOME A
NET ZERO COMPANY
BY 2030 AND
ACCOMPLISHING THIS
GOAL DEPENDS ON
OUR ACTIONS.**

**WHAT MATTERS IS HOW
WE ARE GOING TO
ACHIEVE IT.**

We foster:

The **ecological design** of our garments, seeking to minimise their environmental impact from the design phase through to the end of the product's life.

The selection of **fabrics and materials** on the basis of their lowest environmental impact, preferring those that are recycled and that may also be recyclable.

The selection of the most efficient **production processes** that have the least negative impact on the environment, especially in relation to CO2 gases and water use.

Working only with **suppliers** whose compliance with ECOALF environmental standards has been verified.

Minimising the use of labels and any type of **packaging** to mitigate our environmental impact.

1
2
3
4
+

CLIMATE CHANGE AND CARBON FOOTPRINT

THE ECOALF TEAM IS AWARE THAT THE PLANET IS FACING A CRITICAL MOMENT, THE CLIMATE CRISIS, AND THAT WE NEED TO TAKE URGENT ACTION TO DRASTICALLY REDUCE POLLUTING EMISSIONS.

BEING PART OF THE SOLUTION AND NEVER THE PROBLEM IS IN OUR DNA.



Although we have continued to improve our processes from the outset, our responsibility to the planet and the people who inhabit it has led us to go one step further in response to the climate emergency. As such, in 2019, during the COP25 in Madrid we adopted, together with B Corp Spain, the **NET ZERO 2030** pledge, which we are working towards with a decarbonisation strategy that will include various policies and actions to **reduce total emissions to zero by that year.**

We are doing this without losing sight of innovation as a critical component: our investment in R&D allows us to develop innovative technology and to mitigate the environmental footprint of our products. This is a process that begins when it is still in the drafting stage, as we adopt eco-design criteria to reduce the product's GHG¹ emissions.

ECOALF's Sustainability and Innovation department develops and implements a wide-ranging **set of policies aimed at ensuring the correct management of polluting emissions**, among others:

- **Travel policy**, recommending sustainable travel (publication planned for 2023).
- As part of our commitment regarding the source of the materials we use, another of our policies restricts the **intercontinental shipping** of raw materials.
- **Preferred Materials List**: using recycled materials – in place of virgin materials— also contributes to the reduction of CO₂ emissions.
- **Climate neutrality** in ECOALF's own workspaces (offices, stores).

¹Greenhouse gases

HOW WE MEASURE OUR FOOTPRINT

We follow the methodology established by the Greenhouse Gases Protocol (GHG Protocol) to measure and analyse our emissions. Thanks to the complete traceability of ECOALF's supply chain, we are able to identify GHG emissions across all our suppliers' facilities, from raw material sourcing to garment manufacture.

→ **Scope 1. GHG emissions directly linked to the company's business.**

ECOALF has no Scope 1 emissions, as we do not operate our own production facilities, nor do we have our own fleet of vehicles, nor any combustion equipment in our offices and shops.

→ **Scope 2. Emissions indirectly linked to the company's energy use.**

This includes all emissions caused by electricity generated by a third party that we purchase to supply our sites.

→ **Scope 3. Indirect emissions generated along the entire value chain.**

This includes emissions produced by the supply chain, product dispatch, distribution, employee travel and business trips.

Scope 3 emissions were incorporated in 2021 with a focus on those aspects relevant to ECOALF.

UPSTREAM:

→ Life Cycle Analysis (LCA) of all our products from *cradle to gate*: from raw material sourcing to the arrival of the final garment at the warehouse.

ECOALF

DOWNSTREAM:

- Mapping of emissions connected to the distribution of our products to all ECOALF customers: shipments to both B2B and B2C customers (own stores and e-commerce).
- Employee Commuting.
- Business trips and overnight stays.

1.377 Tn

CO2 eq saved in our 2021 collections.

1
2
3
4
+

OUTCOMES 2021

As a consequence of our pledge to become net zero in Scope 2, in 2021 we reduced these emissions to negligible levels. We have even offset this residual value by collaborating with the Sustainable Forests initiative in a biodiversity protection project in the Cantabrian town of Campoo de Yuso.

EMISSIONS (Tn CO ₂ eq)	2020	2021
SCOPE 1 ¹		
SCOPE 2 ²	5.67	10.75 ⁴
SCOPE 3 ³		78,905.61
TOTAL	-	78,916.36

¹No emissions are generated in this category.

²2020 set as the base year for its measurement. The GreemKo tool was used for the calculation using data from the consumption, retailer and electricity mix; and the IPCC methodology and the GHG Protocol guidelines on the compilation of emissions inventories for organisations were followed.

³2021 set as the base year for its measurement. The GHG Protocol methodology has been adopted for the calculation, with the exception of the life cycle analysis of our products, which has been based on the IPCC 2013 GWP 100a methodology.

⁴Growth in emissions were contained thanks to our climate neutrality pledge for this scope, despite the increase in our own work centres during 2021.

INTENSITY OF GHG EMISSIONS

71.68

TN CO₂ eq/
10,000 units
generated



The emissions intensity has been calculated by dividing the company's total emissions by the number of total units produced during 2021. We have established a coefficient for every 10,000 units produced, in order to create a comparable history.

ACTIONS TO ACHIEVE MORE SUSTAINABLE TRANSPORT

Production stage:

- Intercontinental transport by ship (preferred) and freight consolidation
- Local transport by road and dispatch consolidation

Dispatch to customers:

- Analysis of solutions from logistics and transport sector suppliers
- Identification of key players with whom we can work to reduce emissions
- Analysis of our operations to streamline processes
- “0 emissions” last mile delivery

In 2021, for the first time, we measured the CO2 impact of transport in terms of CO2 emissions during the production and shipment of goods. In 2022, we will activate an emissions reduction plan, which includes actions to be taken in all company operations.

OUR EMISSIONS REDUCTION GOALS

We aim to completely eliminate - and we are already moving in that direction - the emissions linked to electricity consumption at all our own sites such as shops and offices. We are driven by the certainty of doing the right thing from the outset, long before the development of climate plans and targets whose ambition we share.

Retail sales channel

-20%

direct emissions by 2024

Wholesale sales channel

-20%

direct emissions by 2024

E-commerce channel

-35%

emissions in 2023

Employee travel

-9%

direct emissions in 2022

ECOALF

Business trips and overnight stays
Climate neutrality by 2023

Supply chain:

- Theoretical potential reduction

40% of the emissions linked to raw material sourcing procedures, their processing and subsequent dyeing.

- Corporate policy requiring all

TIER 1
suppliers to operate using renewable energy.

RESPONSIBLE WATER USE

**WE ARE COMMITTED
TO USING WATER
RESPONSIBLY ACROSS
OUR ENTIRE SUPPLY
CHAIN.**

1
2
3
4
+

**WE ARE AWARE OF
THE INTENSE USE OF
WATER IN THE FASHION
INDUSTRY. WATER IS
USED IN GROWING
RAW MATERIALS
SUCH AS COTTON, IN
THE CLEANING AND
PREPARATION OF RAW
MATERIALS AND IN ALL
DYEING AND FINISHING
PROCESSES.**

Our **Preferred Materials List** is also based on the criteria of low impact with respect to their water footprint.

Our dyeing **processes** are **more efficient** as they consume less water.

We work together with companies and suppliers that **employ new technology to reduce their water consumption.**

We use the **Restricted Substances List and Vegan Guarantee** to ensure the use of non-harmful chemicals in our supply chain, eliminating all toxic substances that could be present in discharges into the water system that could affect ecosystems.

OUR WATER MANAGEMENT GOALS

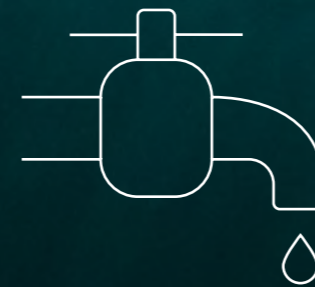
WITH RESPECT TO WATER DISCHARGES, TWO MAIN TYPES OF IMPACTS HAVE BEEN IDENTIFIED:

- Impacts caused by contaminating substances in suspension
- Impacts caused by the chemicals present in the manufacturing process

IN THIS RESPECT, OUR WATER MANAGEMENT GOALS ARE:

- To define indicators for the management of water consumed: efficiency, specific use of chemicals in each production process and wastewater management.
- To minimise the use of organic cotton in the circular collection and maximize the use of recycled cotton. Our goal is that all our basics (T-shirts, sweatshirts and polo shirts) should be made from at least 50% recycled cotton, with the possibility of increasing this to 100%.

Protecting the planet not only affects the materials we choose, but also all the processes to convert that raw material into fibre, yarn, fabric and garments. This includes the wet processes (dyeing and finishing), processes that have a high impact on water use and on the use of chemicals.



139 M²
litres of water (aware)
saved in our
Autumn-Winter 2021
T-Shirt Collection



AREAS COVERED

ECOALF works only with suppliers who adopt high environmental management standards and who possess internationally recognised certificates.

OEKOTEX®

This certification helps us to identify potential risks associated with water pollution in the production process, and includes strict criteria for the concentrations of chemicals in discharges.

GLOBAL RECYCLED STANDARD

With regard to water and discharges, this certificate implies that suppliers must:

- Monitor their water use month by month
- Set goals for cutting their water use
- Supervise the chemicals used to ensure compliance with current legislation

It also ensures a complete overview of water consumption throughout the process, as the certificate must be valid for all the facilities through which the product circulates.

ISO 14001

Environmental management system that enables the effective tracking of the use of both chemicals and water. It is a guarantee of compliance with international regulations in relation to the environment. Within this group of certifications, the supplier can be certified under ISO 14046, which sets out the principles, requirements and guidelines related to the water footprint.

BLUESIGN®

Ensures the responsible use of chemicals and of natural resources. It lays down various water use milestones that all facilities certified with this seal must adhere to:

- Short-term goal for finishing plants. Water consumption of less than 150l per Kg of textile used
- The supplier must create a roadmap towards achieving these goals.
- Long-term goal for finishing plants. Water consumption of less than 100l per Kg of textile used

MICROFIBRE REDUCTION

1
2
3
4
+

We are aware of the environmental issues resulting from the release of microfibres that occur at all stages of the supply chain and during use by the end-consumer. We have therefore carried out a study with LEITAT Technological Center to identify the fabrics that release the greatest number of microfibres.

Although it is true that the problems derived from the release of microfibres are linked to all types of materials, we have identified synthetic materials as those where action is a priority. We have eliminated fabrics with short fibres such as fleece linings and synthetic fur from our collections, as they are associated with a higher release of microfibres.

**AS MEMBERS OF THE
MICROFIBRE CONSORTIUM,
WE HAVE PLEDGED TO
WORK TOWARDS ACHIEVING
A ZERO IMPACT FROM THE
FRAGMENTATION OF TEXTILE
FIBRES BY 2030.**

We have adopted the consortium's working plan, which sets out good practices in the textile industry.

WATER CONSUMPTION OF OUR COLLECTIONS

WE ARE TRANSPARENT ABOUT THE WATER CONSUMPTION OF OUR PRODUCTS AND THE SAVINGS WE ACHIEVE THROUGH THE USE OF RESPONSIBLE RAW MATERIALS AND PROCESSES.

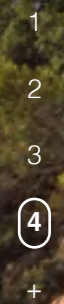
The majority of ECOALF's water consumption takes place at our suppliers' facilities, mainly in the dyeing and material processing processes. Although many suppliers are not technologically prepared to be able to facilitate the water consumption of our production processes, thanks to our collaboration with the BCOME platform, we know what our water footprint is.

Season	Total consumed (litres)	Water saved (%) ³
Spring-Summer 21 ¹	14,104,011	82%
Autumn-Winter 21 ²	846,439,000	61%

¹Calculation of the BCOME platform according to the Water Scarcity Indicator (WSI) methodology by which the amount of water extracted for an industrial process is measured against the amount of water available. The calculation was made for the Spring-Summer Collection by following this method, which is why there was a great difference in the volume compared with the Autumn-Winter collection.

² The BCOME platform calculation using the AWARE methodology, introduced for the Autumn-Winter 21 season. This methodology provides an indicator of water use that represents the relative available water remaining per area in a basin after human and aquatic ecosystem demand has been met. It assesses the potential for water scarcity, either for humans or ecosystems, based on the assumption that the less water that is available per area, the more likely it is that another user will be deprived. The methodology is recommended by the European Commission PEF (Product Environment Footprint) programme.

³ Information based on the materials and processes employed for each model, compared with the conventional ones. The BCOME Rating System scores the degree of environmental, social and ethical efficiency of ECOALF based on the best sustainable initiatives implemented throughout its value chain. Powered by BCOME.



ANNEXES

ECONOMIC PERFORMANCE	I.
ABOUT THIS REPORT	II.
GRI CONTENTS INDEX	III.
EXTERNAL VERIFICATION	IV.



I ECONOMIC PERFORMANCE

- 1
- 2
- 3
- 4
- +



ASSETS

41,953,225.86

A) NON-CURRENT ASSETS

7,154,941.96

I. Intangible Fixed Assets

352,932.13

II. Tangible fixed assets

1,561,249.95

IV. Long-term investments in group and associated companies

2,248,894.59

V. Long-term financial investments

337,169.72

VI. Deferred tax assets

2,654,695.57

B) CURRENT ASSETS

34,798,283.90

II. Inventory

10,702,349.49

III. Trade debtors and other receivables

12,726,885.73

IV. Short-term investments in group and associated companies

747,047.18

V. Short-term financial investments

1,357,863.16

VI. Accruals

36,475.19

VII. Cash and other equivalent liquid assets

9,227,663.15

LIABILITIES

41,953,225.86

A) NET WORTH

7,424,167.62

B) NON-CURRENT LIABILITIES

18,002,818.03

I. Long-term provisions

335,886.00

II. Long-term debt

6,533,473.00

III. Long-term debt with group and associated companies

11,116,811.68

IV. Deferred tax liabilities

16,647.35

B) CURRENT ASSETS

16,447,378.21

II. Short-term provisions

413,051.00

III. Short-term debt

7,120,429.97

IV. Short-term debt with group and associated companies

0.00

V. Trade creditors and other accounts payable

8,913,897.24

VI. Accruals

0.00

PROFIT AND LOSS ACCOUNT

Feb 2022

Net turnover

37,679,154

Sales

37,466,888

Service provision

212,266

Costs capitalised as assets

50,383

Costs capitalised as assets

50,383

Provisions

(17,995,978)

Cost of goods sold

(17,606,138)

Impairment of merchandise, raw materials and other supplies

(389,840)

Other operating income

180,942

Ancillary and other current revenues

36,102

Operating subsidies included in profit or loss for the year

144,840

Payroll costs

(5,856,125)

Salaries, wages and similar

(4,816,581)

Social contributions

(1,039,544)

Other operating costs

(12,368,744)

External services

(12,341,530)

Taxes

(15,017)

Losses, impairment and changes in provisions for trading operations

(10,419)

Other current account expenses

(1,778)

Depreciation of fixed assets

(524,371)

Depreciation of fixed assets

(524,371)

Other Income/Expenses

(17,238)

Other Income/Expenses

(17,238)

1

2

3

4

(+)

OPERATING RESULTS

Financial revenue

From long-term loans and marketable securities

Financial expenses

Payables to group and associated companies

Payables to third parties

For updating provisions

Variation in fair value of financial instruments 121,207

Variation in fair value of financial instruments

Exchange differences

Exchange differences

Impairment and profit or loss on disposal of financial instruments

Impairment and losses

NET INCOME

Share in profits (losses) of companies consolidated by the equity method

PRE-TAX ACCOUNTING PROFIT OR LOSS

Tax on profit

Tax on profit

NET INCOME FOR THE YEAR

1,011,273

198

198

(1,257,325)

(604,555)

(576,185)

(76,585)

121,207

121,207

(82,143)

(82,143)

(12,005)

(12,005)

(1,230,068)

(136,754)

(218,799)

56,720

56,720

(162.079)

1

2

3

4

+

II. ABOUT THIS REPORT

The first ECOALF Sustainability Report covers the period between 1 March 2021 and 28 February 2022.

The scope of the information in the report relates to the operations of ECOALF RECYCLED FABRICS S.L., ECOALF FRANCE SAS and ECOALF GERMANY GMBH.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards, following the essential compliance option.

For any queries you may have about this report and its contents, please write to: transparency@ecoalf.com



III. GLOBAL REPORTING INITIATIVE INDEX OF CONTENTS



- 1
- 2
- 3
- 4
- +

GENERAL CONTENTS

1
2
3
4
+

ORGANISATION DETAILS

GRI Standard		Page or direct response	Omissions
102-1	Organisation name	ECOALF RECYCLED FABRICS S.L.	
102-2	Activities, brands, products, services	Brands: ECOALF, ECOALF 1.0 Fashion items: men's, women's, children's Categories: garments, footwear and accessories. We do not sell any products that are prohibited in any market.	
102-3	Location of headquarters	Calle Gran Vía, 1 2º IZQ, Madrid, Spain	
102-4	Location of operations	14, 15	
102-5	Ownership and legal form	The company ownership is shared between natural and legal persons, and its legal form is Sociedad Limitada (Limited Liability Company).	
102-6	Markets served	14	
102-7	Organisation size	6,14,15,16	
102-8	Information on employees and other workers	66	
102-9	Supply chain	54, 55 Significant information is provided: most prominent suppliers with a turnover of 80 %.	
102-10	Significant changes in the organization and its supply chain	There have been no significant changes.	
102-11	Precautionary principle or approach	We apply the precautionary principle through our Sustainability Commitment, by developing a list of banned substances and providing a vegan guarantee, certification and risk analyses in our supply chain, a list of preferred materials and conduct a sustainability pre-assessment of suppliers.	
102-12	External initiatives	17, 18	
102-13	Affiliation/Membership of associations	17, 18	

STRATEGY

GRI Standard		Page or direct response	Omissions
102-14	Statement by the person responsible	3 - 5	

ETHICS AND INTEGRITY

GRI Standard		Page or direct response	Omissions
102-16	Values, principles, standards and rules	11, 12	

GOVERNANCE

GRI Standard		Page or direct response	Omissions
102-18	Governance structure	20, 21	

STAKEHOLDER ENGAGEMENT

GRI Standard		Page or direct response	Omissions
102-40	List of stakeholders	35	
102-41	Collective bargaining agreements	100% employees covered by collective bargaining agreements	
102-42	Identification and selection of stakeholders	35, 36	
102-43	Approach to stakeholder engagement	36	
102-44	Key topics and concerns mentioned	37	

1

2

3

4



REPORTING PRACTICES

GRI Standard		Page or direct response	Omissions
102-45	Entities included in the consolidated financial statements	106	
102-46	Definition of the contents of the reports and the Coverage of the topic	36, 37	
102-47	List of material topics	37, 38	
102-48	Restatement of the information		Not applicable as this is ECOALF'S first sustainability report
102-49	Changes to reporting practices	-	Not applicable as this is ECOALF'S first sustainability report
102-50	Reporting period	Period between 1 March 2021 and 28 February 2022	
102-51	Date of last report	-	Not applicable as this is ECOALF'S first sustainability report
102-52	Reporting cycle	Yearly	
102-53	Contact for queries about the report	106	
102-54	Statement that the report was prepared in accordance with GRI standards.	106	
102-55	GRI Contents index	107-116	
102-56	External verification	117	

1

2

3

4

+

MATERIAL TOPICS

ETHICAL BEHAVIOUR

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	22 - 24	
103-2	Management approach and components	22 - 24	
103-3	Assessment of the management approach	22 - 24	

GRI 205: ANTI-CORRUPTION (2016)

GRI Standard		Page or direct response	Omissions
205-1	Operations assessed for corruption-related risks	23	
205-2	Information and training on anti-corruption policies and procedures	27	

REDUCTION OF WATER USE AND CONTROL OF WASTE

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	95 - 99	
103-2	Management approach and components	95 - 99	
103-3	Assessment of the management approach	95 - 99	

GRI 303: WATER AND EFFLUENTS (2018)

GRI Standard		Page or direct response	Omissions
303-2	Management of the impacts of water discharges	95 - 99	
303-5	Water consumption	95	

1
2
3
4



REDUCTION OF EMISSIONS THAT CONTRIBUTE TO CLIMATE CHANGE

1
2
3
4

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	90 - 94	
103-2	Management approach and components	90 - 94	
103-3	Assessment of the management approach	90 - 94	



GRI 305: EMISSIONS (2016)

GRI Standard		Page or direct response	Omissions
305-2	Indirect GHG emissions through energy generation (scope 2)	93	
305-3	Other indirect GHG emissions (scope 3)	93	
305-4	Intensity of GHG emissions	93	

USE OF RECYCLED MATERIALS IN THE COLLECTIONS PROMOTION OF THE CIRCULAR ECONOMY

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	41 - 48	
103-2	Management approach and components	41 - 48	
103-3	Assessment of the management approach	41 - 48	

GRI 301: MATERIALS (2016)

GRI Standard		Page or direct response	Omissions
301-1	Materials used by weight or volume	48	
		Weight of recycled materials in the collections	
		Recycled	Non-recycled
		Total	
	Autumn-Winter Collection 21	125.59 Tn	63.55 Tn
	Spring-Summer Collection 21	57.71 Tn	63.94 Tn
	Total	183.30 Tn	127.49 Tn
301-2	Recycled consumables	48	

PURCHASING AGREEMENTS WITH SPECIFIC CLAUSES ON HUMAN RIGHTS AND ENVIRONMENTAL MANAGEMENT

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	54 - 59	
103-2	Management approach and components	54 - 59	
103-3	Assessment of the management approach	54 - 59	

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)

GRI Standard		Page or direct response	Omissions
308-1	New suppliers that have passed assessment and selection filters in accordance with the environmental criteria	59	

GRI 402: HUMAN RIGHTS ASSESSMENTS (2016)

GRI Standard		Page or direct response	Omissions
412-1	Operations subjected to reviews or assessments of their impact on human rights	60 - 61	

OCCUPATIONAL HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	69	
103-2	Management approach and components	69	
103-3	Assessment of the management approach	69	

GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)

GRI Standard		Page or direct response	Omissions
403-5	Staff training on occupational health and safety	69	
403-6	Promotion of workers' health	69	
403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through business relationships.	69	

TRUTHFULNESS OF MARKETING TRACEABILITY AND TRANSPARENCY IN PRODUCT LABELLING

GRI 103: MANAGEMENT APPROACH (2016)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	80	
103-2	Management approach and components	80	
103-3	Assessment of the management approach	80	

GRI 417: MARKETING AND LABELLING (2016)

GRI Standard		Page or direct response	Omissions
417-1	Information requirements and labelling of products and services	80	

1
2
3
4
+

THE ORIGIN AND SOURCE OF THE PRODUCTS AND MATERIALS

1
2
3
4
(+)

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	41 - 49	
103-2	Management approach and components	41 - 49	
103-3	Assessment of the management approach	41 - 49	

ECOALF INDICATOR

GRI Standard		Page or direct response	Omissions
ECOALF Materials		42	

TRACEABILITY IN THE SUPPLY CHAIN

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of the material topic	57 - 58	
103-2	Management approach and components	57 - 58	
103-3	Assessment of the management approach	57 - 58	

ECOALF INDICATOR

GRI Standard		Page or direct response	Omissions
ECOALF traceability system		57 - 58	

CONTROL OF CHEMICALS USED IN THE SUPPLY CHAIN

1
2
3
4

GRI Standard		Page or direct response	Omissions
103-1	Explanation and coverage of material topic	51 - 52	
103-2	Management approach and components	51 - 52	
103-3	Assessment of the management approach	51 - 52	



ECOALF INDICATOR

GRI Standard		Page or direct response	Omissions
Control of chemicals at ECOALF		51 - 52	

IV. EXTERNAL VERIFICATION



- 1
- 2
- 3
- 4
- +

1

2

3

4





VERIFICATION

TÜV SÜD Iberia S.A.U. has contrasted that

The ECOALF RECYCLED FABRICS S.L. SUSTAINABILITY REPORT 2021 has been prepared in accordance with the requirements established in the GRI standards in its essential Version.

To verify this information, a Verification Audit was carried out on October 6 and 7, 2022, in telematic mode. This audit verified the veracity of the data included in the report based on the principles of the AA1000AS Sustainability Assurance Standard, which allows identifying, prioritizing and responding to sustainability challenges to improve the company's long-term performance and the requirements established in the International Standard on Assurance Engagements and conformance amendments (ISAE 3000 Revised).

Diana Abengózar
TÜV SÜD IBERIA S.A.U

In Madrid, October 14, 2022