



KARÜN
EST. IN PATAGONIA

IMPACT REPORT 2022



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01. WELCOME

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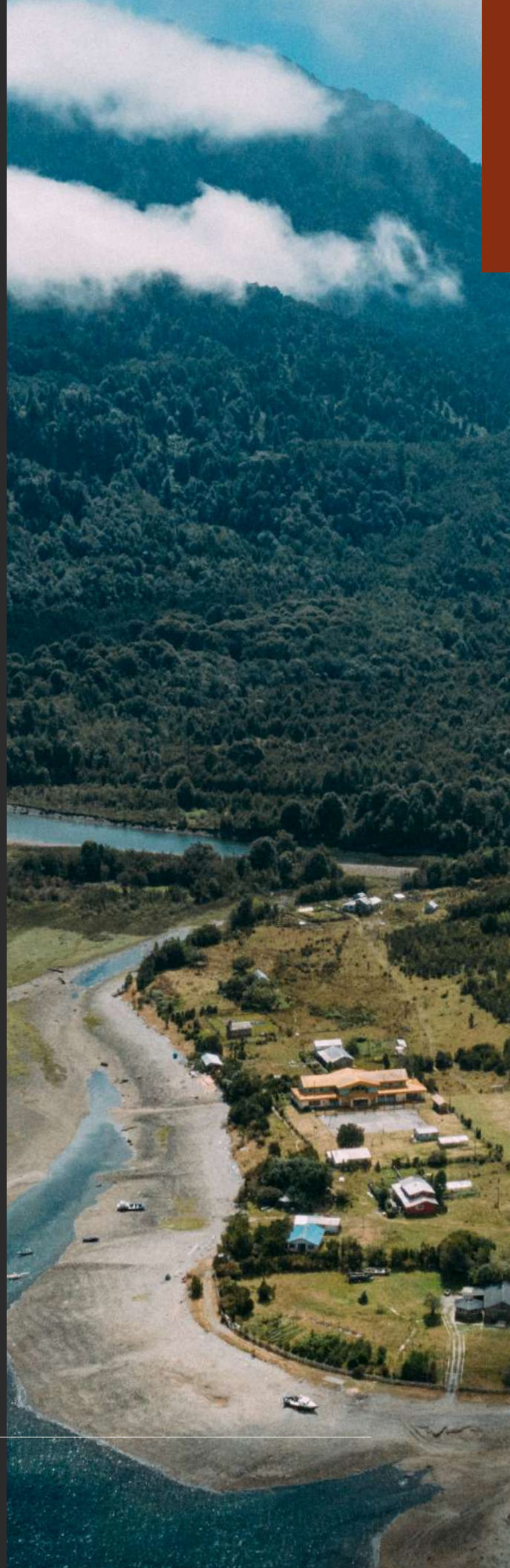
Last year at Karün we celebrated our 10 years working towards our purpose as a team.

10 years as a company.

10 years working with everything we have to contribute into creating a world that is in harmony with ourselves and our natural environment.

The process of building this company as a tool to inspire people to reflect on our role as human beings and the intricate interconnectedness and interdependence we have with all living things requires a constant search for coherence. And we all know that being human and being fully in coherence is a difficult dichotomy to manage at times. However, the search for coherence is our North Star, our roadmap for making our day-to-day decisions.

2022 was one of the most challenging years we have faced as a company. We worked hard in the midst of deep global economic turmoil, wars, inflation and post-covid uncertainty, while expanding into new countries, welcoming new people to our team and challenging our culture and values almost to the limit, learning what balance between business and impact really means.



2022 was a year of setting the base for **taking our Karün Regeneration Model™ to the world**. A year where amidst all of the challenges we all faced, we managed to focus on key internal processes, structure, reflections and project innovations that allowed us to launch important milestones for the global eyewear industry such as our **Karün Traceability System™** combined with the Carbon Labeling of each one of our products, offering full transparency to our customers so they can delve deeper on every claim we make and challenge us to comply with this search for consistency. We managed to grow our community of Impact Leaders, expand our work in the territories, grow our collection network, partner with new like-minded people and organizations and look deep-within to understand what we needed to improve so that we could come out of a difficult year stronger than ever.

In today's world it is definitely not enough to have nice statements or comfortable and non-committal communication strategies. What we need **is to be honest, transparent and put all our efforts into re-thinking the way we think, the way we relate to each other, the way we act and in our case**, the way we build a company. Changing the materials, structures or technologies are just consequences of a way of understanding the world, a way of sizing our role in it and putting that perspective in our daily decisions.

This Annual Report is an important step to be more coherent, transparent and to understand how far we are from perfection. Measuring ourselves every year allows us to understand in depth the current reality of our company to thus effectively improve and work for the reality that our planet needs, together.

Let's look at the world from a different point of view.



Thomas Kimber / Founder & CEO

About Karün

We are not an eyewear company.

We are a group of passionate people working hard to change the way we interact with our planet by rethinking the way we build businesses, products, and relationships. Based in Patagonia, since 2012 we have linked nature conservation with rural empowerment through radically sustainable innovation in products. Why eyewear? **To inspire people to see the world from a different point of view.**

Through our **Karün Regeneration Model™**, we implement multiple actions that contribute to caring for the environment as well as promoting a conscious development of these last remaining wild places in the world. It all starts with the **Karün Impact Leaders** in the Chilean southern coasts. These are

inhabitants of rural Patagonia who collect different types of discarded materials that affect their natural ecosystem such as old fishing nets and ropes, waste metals, etc. Then they sell us those materials and we work together so that these local leaders can develop their own micro-businesses that **seek triple positive impact**, thus collaborating to protect thousands of hectares of wild nature. In this way, we transform discarded materials not only into seed capital but also into innovative glasses that meet the highest standards of quality and performance.

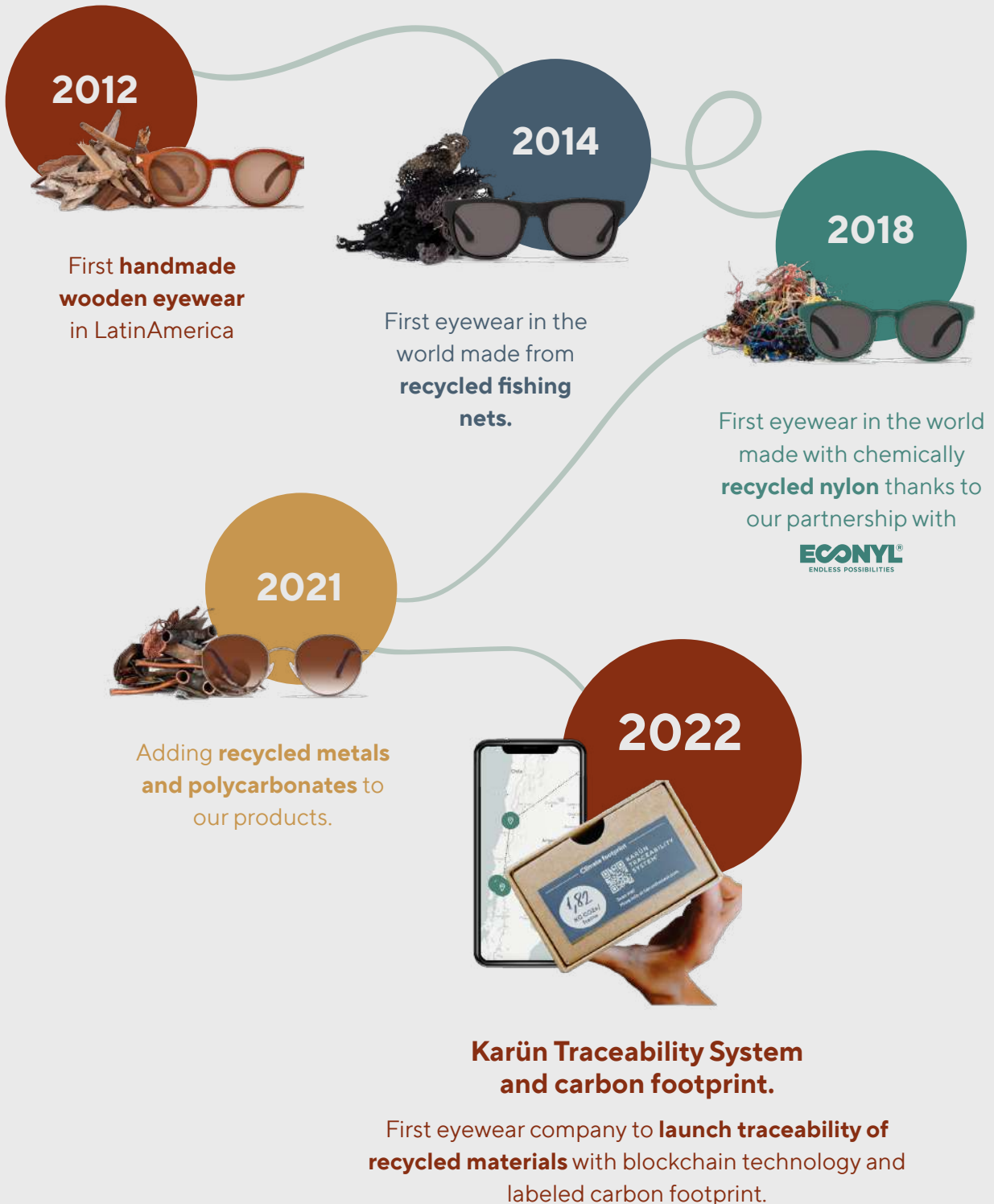
Over the last decade, we have not only expanded our presence in 21 countries, but we have also obtained multiple certifications, including B Corp and Carbon Neutral, as well as numerous recognitions from different institutions, such as **"Most Sustainable Eyewear**

We have linked *nature conservation* with *rural empowerment* through radically sustainable innovation.



Brand” in 2021 and 2022 by Global Brand Awards. These milestones not only motivate us to continue challenging our limits, but they also reaffirm our commitment to work for a more sustainable future in harmony with nature.

Learn more about our journey here!



Philosophy

OUR VISION:

Living in a world in harmony with ourselves and our natural environment.

CORE BELIEF:

We believe that the perspective from which we see the world shapes our way of thinking, and our way of thinking defines the way we act: our actions create the reality around us.

If we perceive that we are separate from the rest of nature, we will build a world separated from it.

If we realize that we are part of nature, we will build a world in harmony with it.

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PURPOSE:

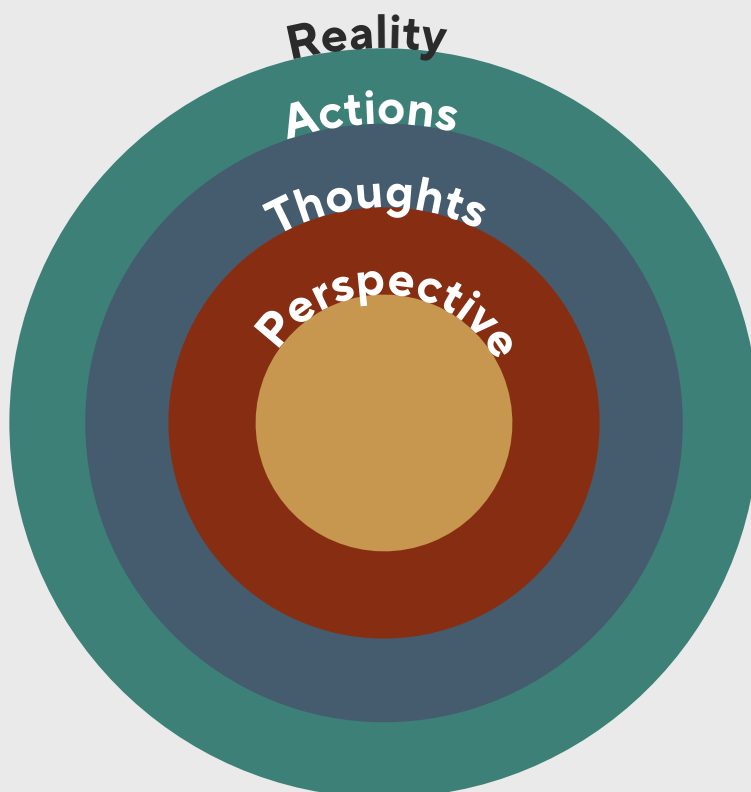
To inspire our clients and the world to reflect on the question: **what would the world be like if we understood we're all nature?**

HOW?

Articulating, living, and spreading a culture of regeneration in all the territories, individuals, and communities with which we interact

ORIGIN:

The wild nature of Patagonia has shaped our perspective of the world, it has inspired us to reflect on our essence as human beings and to build bonds and structures that imitate those of nature.

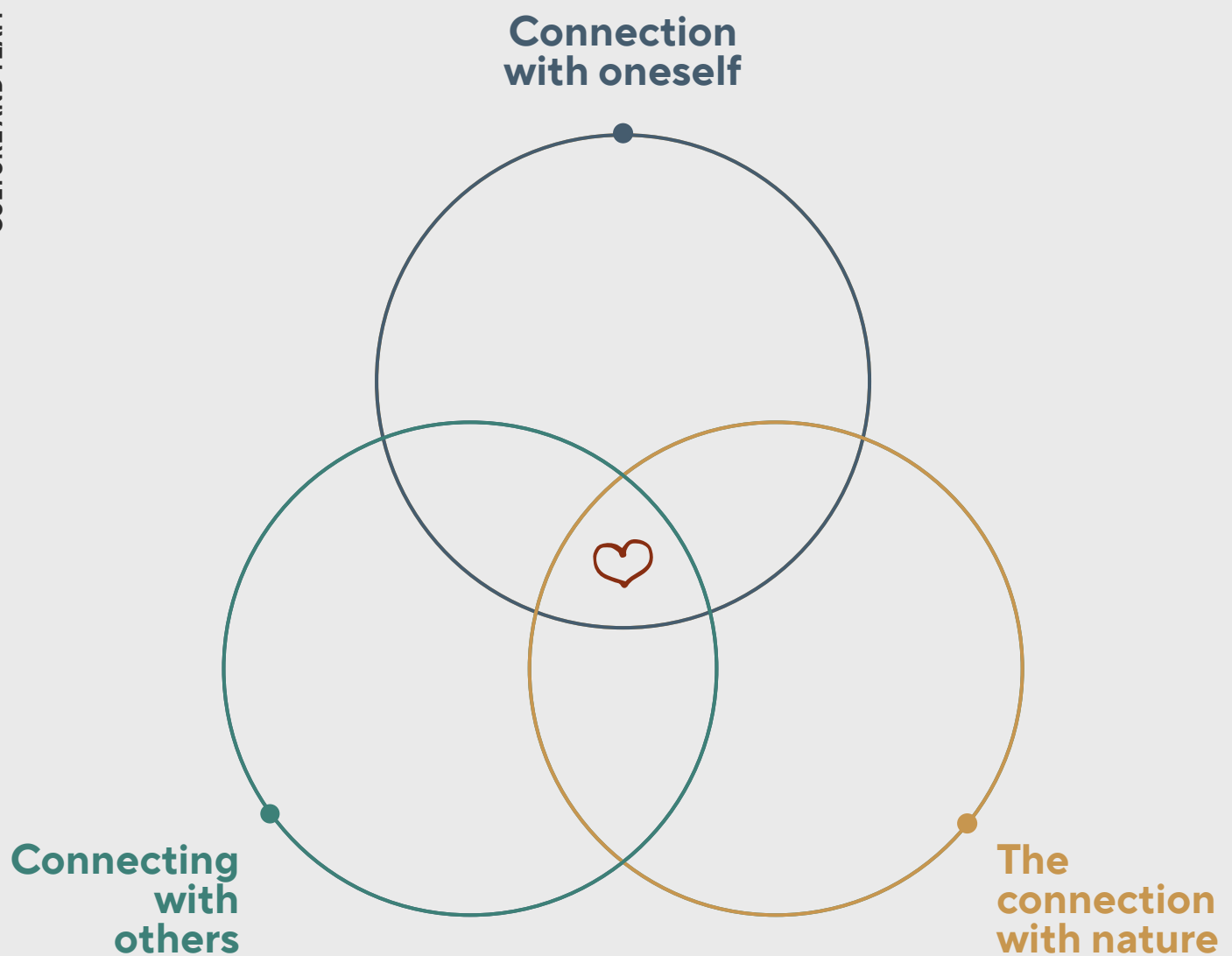


Culture and Team

ORGANIZATIONAL CULTURE:

We want to make sure that the message we transmit to the world lives intrinsically among all of us who are part of Karün. For this, the company must not only be a tool for professional development but also for emotional, physical, and spiritual growth.

For this reason, we work throughout our structure **on 3 fundamental pillars:**



On the other hand, our **essential virtues** as a company are:

Humility Collaboration Resilience Ownership

Virtues are our **values put into practice**. The world is shaped by our opinion, but mainly by our actions, which is why we seek to embody these 4 virtues daily as individuals and as a company.

To protect these values and goals we have the Karün Culture Circle, which is made up of 13 people from different areas, markets, and roles. This group has the task of taking care of the culture at all the aspects and manifestations of the company, in addition to providing all who are part of the company the tools to live it and promote it.

This circle met for a total of 28 hours in 2022.



Team

In Karün we have a **horizontal structure**, distributed in the following areas of work:

PEOPLE & CULTURE: Articulates a regenerative culture in which talented people love to work. It also addresses the needs for growth, community, and purpose of individuals under the values and strengths of the organization.

OPERATIONS: Challenges all our processes to make them more sustainable, effective, and efficient, ensuring the timely availability of our products to adequately accompany the sale and provide the best experience for our customers.

IMPACT: Broadens our reach in the territory and builds stronger relationships with collectors to increase impact. At the same time, it consolidates the collection of raw materials and provides timely impact data to strengthen our communications, decision-making, and transparency.

PRODUCT: Delivers a high-quality proposal, circular design, and innovative materials that ensure a radically innovative product designed to last.

BRAND: Keeps the Karün identity relevant, to make sure it resonates with the spirit of the times and can deliver the message to inspire the world to look at it from a different point of view. It also works as an internal agency that supports the entire organization in creativity, content creation, training and design.

FINANCE: Ensures financial and economic viability while providing accurate business visibility for enhanced decision-making.

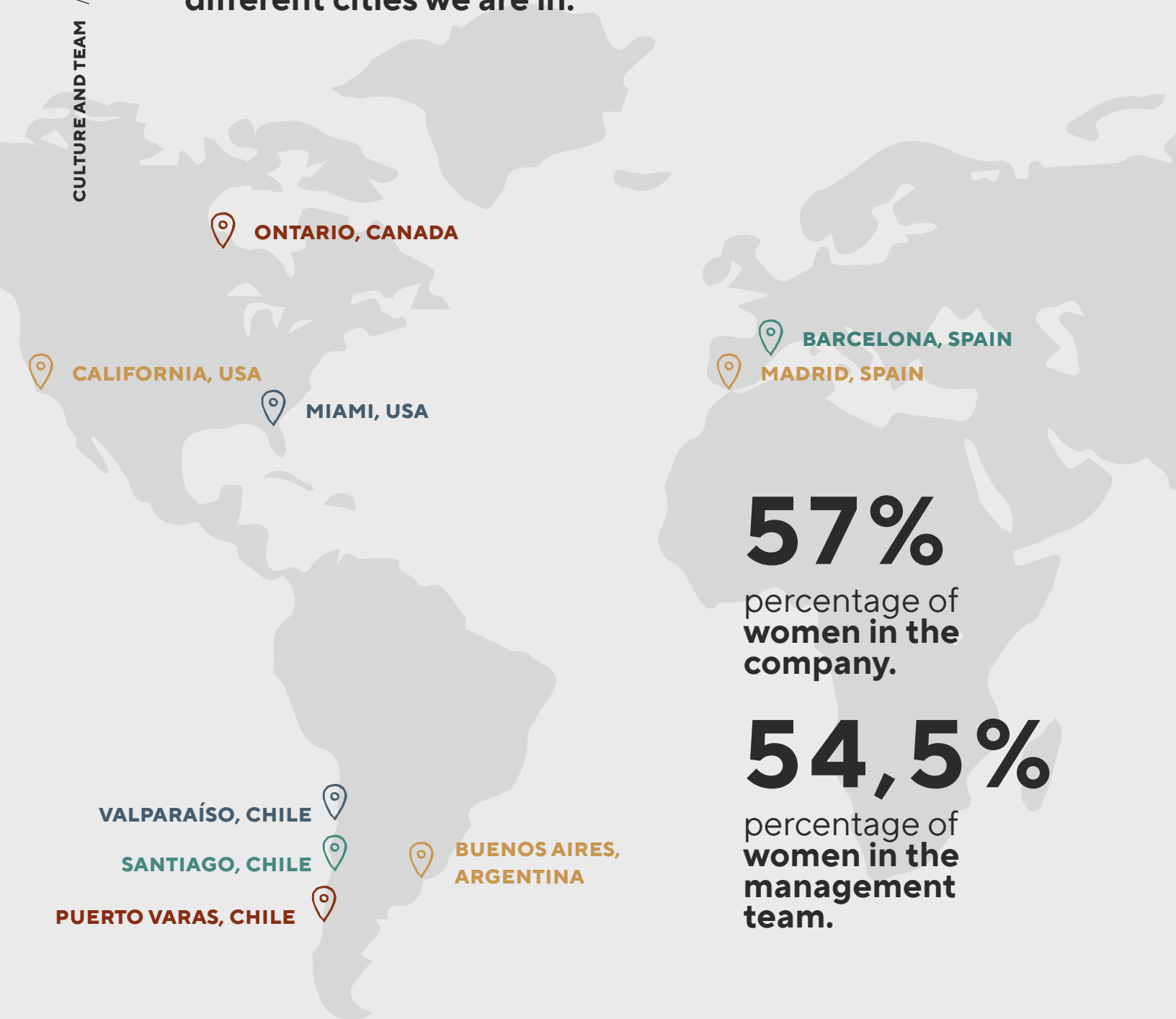


SALES: Provides a strong and motivated sales team worldwide, diversifying channels to mitigate risk and build long-term success.

MARKETING: It positions the brand through an integrated approach that ensures the development and implementation of a consistent offerings mix in line with our value proposition.

TECHNOLOGY: Allows the business to achieve its goals by improving current tools, adding new ones, and providing support and training to the rest of the company.

Geographic distribution of the team, map of different cities we are in:



57%
percentage of
**women in the
company.**

54,5%
percentage of
**women in the
management
team.**

Organizational Benefits:

Stock Options:

This benefit consists of stock options that are given to all our collaborators. The goal is that everyone who wants to can be a Karün partner.



5 extra days of vacation per year!

Free sunglasses and optical glasses

for the whole team plus discounts for their families and friends.



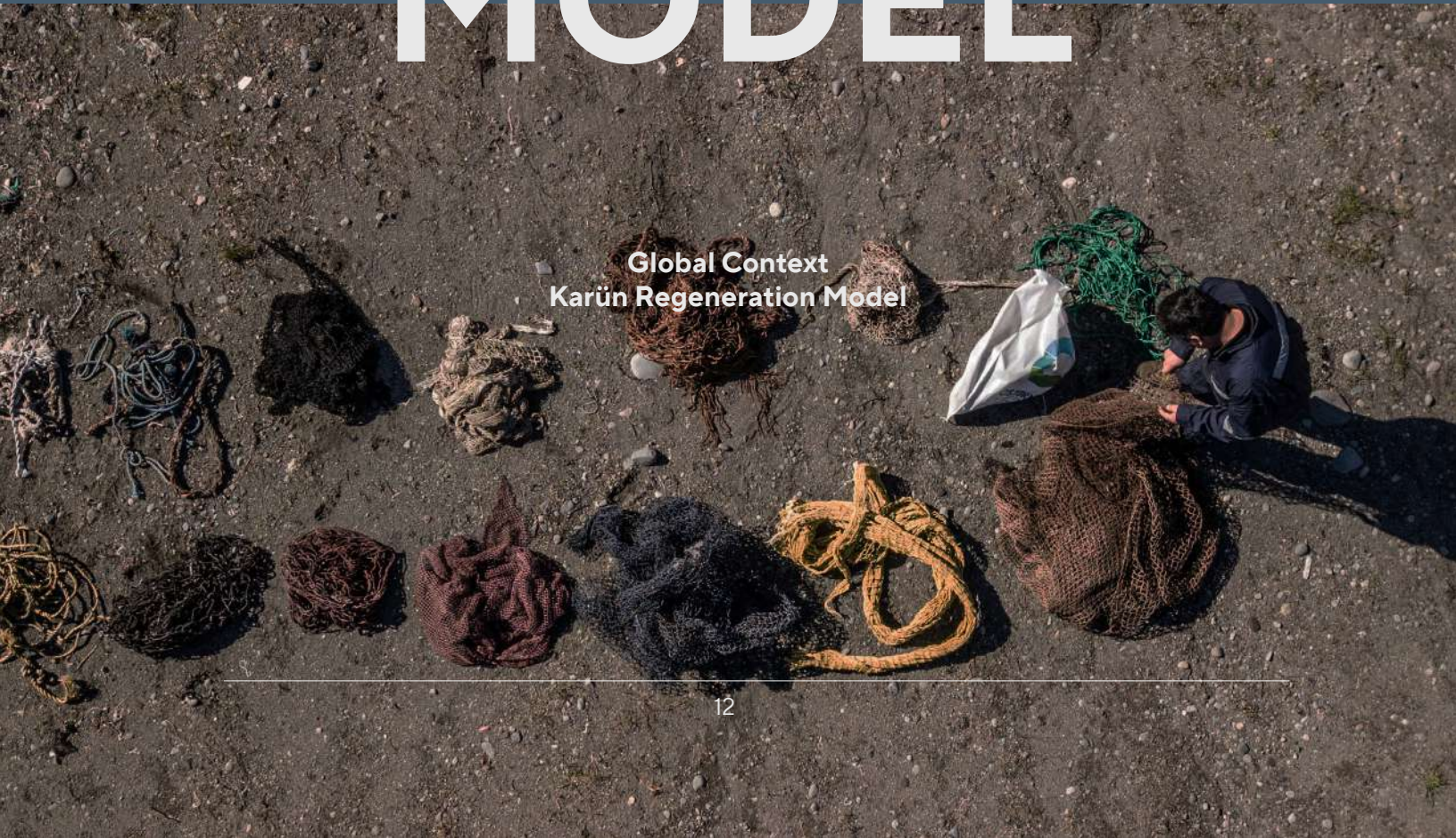
Hybrid work between home and office





02. OUR MODEL

Global Context
Karün Regeneration Model



Global Context

Nowadays, the disconnection of people from nature is becoming more and more profound, especially in large cities where accelerated development has led to an increasing separation between people and the natural environment.

The overexploitation of natural resources in recent decades has resulted in a climate crisis that generates not only major natural disasters but also social problems such as excessive migration to urban centers. This movement has exacerbated the climate crisis and the disconnection with nature.

Furthermore, it has increased social inequality, since the most vulnerable people are those most affected by

environmental impacts and those who have the least resources to face them.

The need to change perspective is urgent. We need concrete short and long term actions that can help restore and regenerate both natural ecosystems and the social tissue, but above all, we need to recover the connection between people and nature.

We are convinced that we could redirect the course towards a better future **if everyone would question themselves "What would the world be like if we understood that we are all nature?" really and deeply, when making decisions.**

global energy consumption

↑ 5%

during the year 2021.

70%

of carbon emissions come from urban areas.

Source: UN.

+4,5

mm increase in sea level

between 2013 and 2021.

+50%

of the world's population lives in cities

it will increase to 70% by 2045

Source: Banco Mundial.

13M

metric tons of plastic enter to the ocean each year.

Source: Pew Charitable Trust.

+1.1°

degree Celsius average global warming

since pre-industrial times

Source: UN.

Karün Regeneration Model

We believe that sustainability alone is not enough, since sustainability is only about giving back what we take. Sustainability is great if the status quo is great. Unfortunately, the accelerated social and climate crisis shows us that it is not.

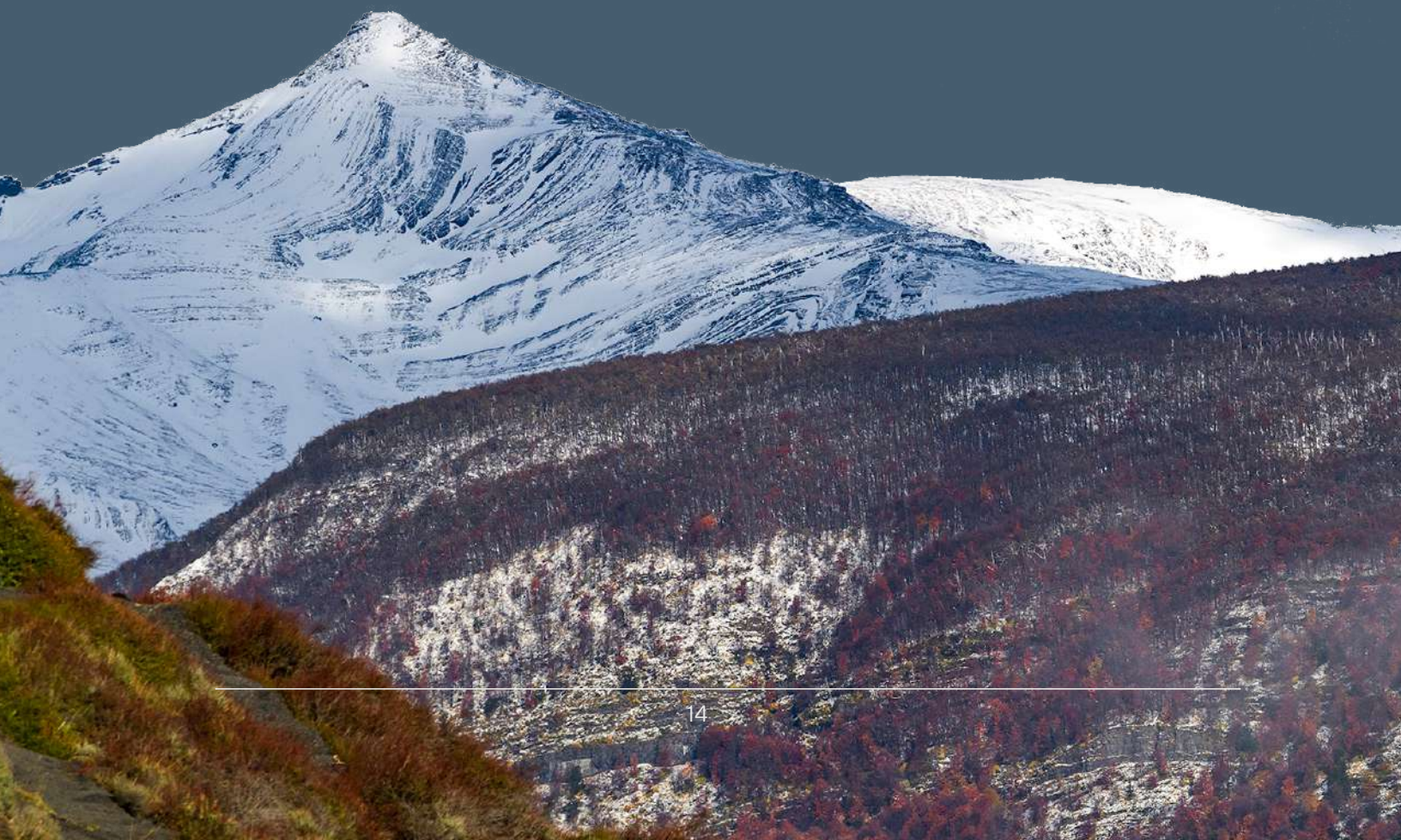
Beyond protecting and saving, we want to bring life back to the ecosystems back to life. We are nature and therefore we can create and regenerate like nature.

Regeneration, unlike sustainability (which pursues the zero-sum game), means bringing life back to ecosystems. With

our Model, we want to advance so that the existence of Karün as a company not only has the minimum negative impact on the planet but also restores previously contaminated natural spaces and works together with different allies and communities so that life can reappear in those spaces.

WHAT IS REGENERATION?

Regeneration is a holistic approach to creating a system that creates the necessary conditions for life to thrive (or multiply or expand). For example, A small seed creates a tree and gives us apples, then each apple brings 4-5-6 more seeds... And so on. That is regenerating.





WHAT ARE WE TRYING TO ACHIEVE?

We want to create a model that is applicable across all industries and all companies. This way, if we can get more organizations to convert their models towards regeneration, we will be able to **create a group that truly generates a significant positive impact on the planet and culture**. So, we will be able to live in a world in harmony with nature, society, and ourselves. We want to inspire other organizations to join this search.

SYMBIOSIS AS CORE AXIS

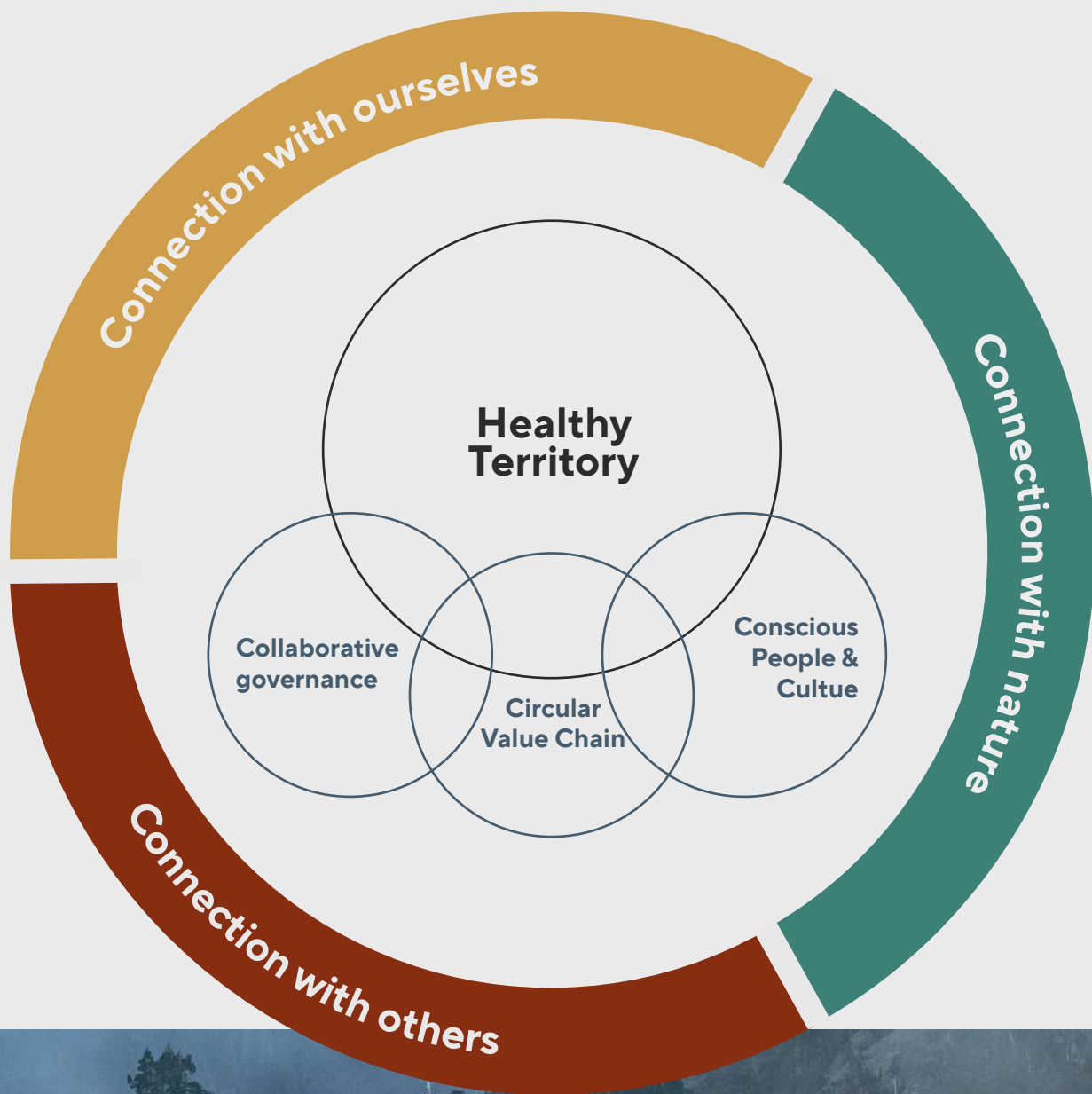
The model seeks to **transform new and existing businesses into regenerative businesses** through the implementation of core tactics and strategies in the company's value chain, its governance, and its culture, all of this in symbiosis with the territory.

Through this symbiotic process, where each decision considers this interaction, we will be able to contribute towards a **healthier territory and in building a company on the way to regeneration**.

This maximizes the creation of conscious products and services that benefit the whole (people, natural ecosystem, and well-being).

We want to **create a model applicable** in all industries and in all companies.

This is how **our model is synthesized in this diagram**, which serves as a theoretical framework for working and monitoring our collective work in search of regeneration.



How did we built this model?

To put our model together, we first studied the Regeneration principles that can be applied to companies and territories, to understand the foundations on which to build our model.

The synthesized result was the following:

	Healthy territory	Regenerative business
Must aware (of being nature).	- Wealth is understood and managed in a holistic way, in terms of the well-being of the whole.	- Planetary purpose: to benefit the whole (business and territory with it's community and natural ecosystem. Ensuring intergenerational equity).
		- Multi-capitalism: Measure returns that are not just financial, but inspirational, social, and natural capitals.
Must learn from nature.	- Resilience through diversity: Diversity in scale and nature.	- Resilience through diversity: big and small scale projects; local and global approach within the business.
	- Energy from renewable sources that ensure positive development cycles that preserves and enhances natural capital.	- Energy from renewable sources.
	- Waste = Food	- Design to remanufacture: Aims to keep products, components, and materials at their highest utility and value at all times.
Must collaborate.	- Constant change in order to survive.	- Constant innovation to improve and survive.
	- Communities that respect and value all cultures, the ancestral knowledge, and the uniqueness of its people.	- They Design for Creativity : Creating an environment of psychological safety in which people are encouraged to think creatively in an open and transparent way without career risk is essential.
	- Participation: All its members participate in the decisions that affect the entire community.	- They think collaborative not competitive.

We concluded 4 things:

FIRST: The regeneration conditions for territories and companies **are in their basic form, the same**. In our model we call them:

must be aware	must learn from nature	must collaborate
connection with ourselves	connection with natural ecosystems	connection with others

SECOND: Contributing to the transformation of a healthy territory, means deep, long-term work, so in our model, we will **choose the territory where we can have the most influence on our organization (Patagonia)**. However, the model as a whole **must consider all territories affected** by the existence of the organization in the development of its value chain through distributed production practices and other strategies.

THIRD: A **regenerative business is much more complete** than a sustainable production process, it addresses the entire business, and therefore it must be applied to:

- Value Chain and production process
- Governance
- Organizational culture

FOURTH: For regeneration to take place, the company and the territory **must be in a symbiotic relationship**, that is, Karün's interaction **with the territory and its communities** generates results that benefit everyone.

This is how our model is synthesized in this diagram, which serves as a theoretical framework for working and monitoring our collective work in search of regeneration.



03. TRANSPA- RENCY PROJECT

Transparency Project
Eco-labeling on the carbon footprint
Traceability System

Transparency Project

In 2022 we launched a transparency initiative that completely changes the way of understanding the impact behind each Karün product. And it is there where we would like to generate a change, in the understanding of its impact and communication. How? We have **measured and labeled the carbon footprint of each product** and we have also developed a **Responsive Web Platform** for the management and traceability of Karün's value chain from the origin of raw materials, through each link in the ecosystem of collaborating partners and suppliers, to the final product.

Customers deserve to know how their purchases impact the environment, and we've made it our mission to do everything we can to push this paradigm shift. Even so, traceability and eco-labeling have complex veins, which are difficult to deal with at first. It is revealing the good and, also, what is not up to the standard we are looking for today. There are elements that we are infinitely proud of and others that we believe have significant opportunities for improvement. In any case, we want to make the success and shortcomings transparent. We want to know everything in detail and show everything we can because we know that in this way, and only in this way, we can improve. What is observable is optimizable, which greatly helps the companies themselves.

Even tomorrow, the logical thing to do would be to generate synergies that allow us to learn from each other on this path to transparency to improve our processes, giving us knowledge that translates into more options and better ways of facing production.

Easily comparing products based on their practices and processes would be a highly desirable new standard. And, as traceability and eco-labeling become more widespread, this will lead to a race towards constant improvement to reduce the impact of products, which would also be a tremendous achievement. But, for this, we need to be more. If only a handful of companies publish the data, it becomes very difficult for consumers to decipher this data and make decisions based on it. They need points of comparison to be able to know if process "X" is more or less desirable for the planet than process "Y".

We've made it our mission to do everything we can to push this paradigm shift.

Only if we manage to **push transparency and traceability to become the new standard for companies**, could this become a radical act.



Eco-labeling on the carbon footprint

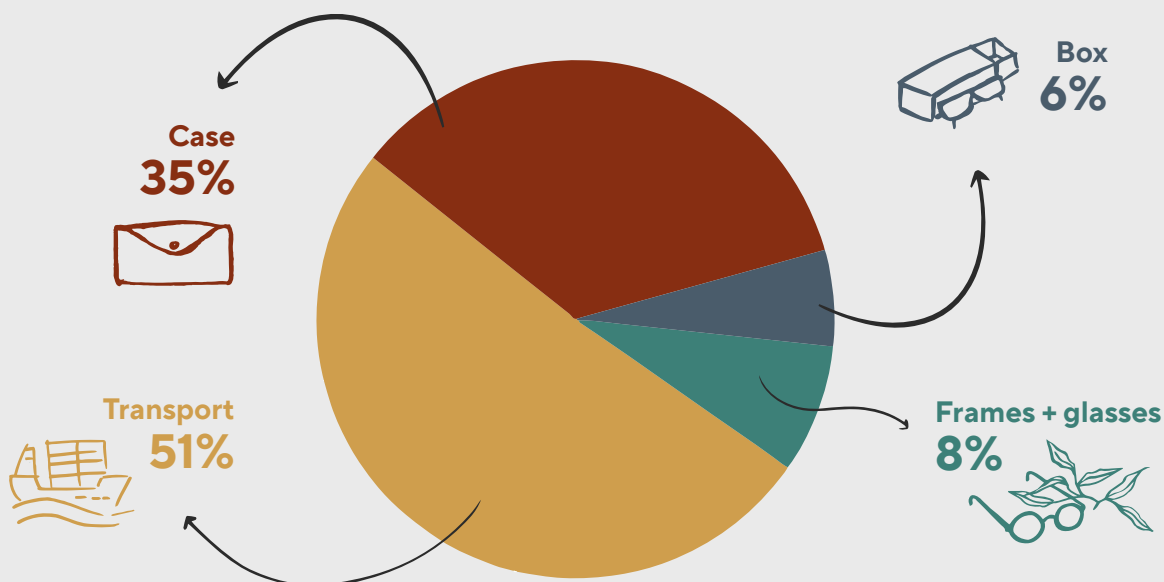
Since we cannot improve what we do not measure, we carried out a Life Cycle Analysis to understand the impact that our products leave on the planet in terms of carbon footprint, and global warming potential, among others. This way we can understand our environmental inefficiencies and we can work on them to reduce our footprint.

What are we measuring? The entire process, from raw materials (which in our case are from recycled sources) to the production of the final frames, lenses, cases, cardboard packaging, and transportation to the same distribution center in Europe.

We aim to cut our emissions in half by 2030 (considering base numbers from 2021) and reduce by 90% by 2050.

Main Results: Average/final product

1,69 CO2e



A number by itself doesn't mean much, but inspired by Oatly and its Together for Climate Labeling initiative, we want to set an example in the eyewear industry and call on other players to post their numbers.

Since our average of 1.69 KGCO₂e/final product does not mean much by itself, we must compare it with others



3.72

**KG of average CO₂e per
conventional eyewear**



10

**KG of average CO₂e
by Allbirds shoe**



14.1

**KG of CO₂e each average
shoe. Source: Allbirds.**



5.5

**KG of average CO₂e polyester
shirt per unit**



0.51

**KG of average CO₂e Oat Milk
Oatly Barista Version**



0.51

**KG of average CO₂e per liter
of cow's milk**

This way we will be able to compare and hopefully share practices that help us move forward in the footprint that we are leaving on our planet.

The main differences in carbon footprint between our products are the composition of raw materials within the frames.

We found 3 main groups:



1,59

KG of CO₂e
recycled materials and/or
Econyl regenerated nylon.



1,67

KG of CO₂e
recycled polycarbonate
combined.



1,82

KG of CO₂e
recycled polycarbonate.

The numbers, similar to nature, will change because we will be working to improve every day and update the information behind our footprint. The latest data can be found on our website.

If you are like us and want to know even more information, read [here!](#)



Traceability System

Data today is powerful and allows us to understand, empirically, what to this day in most companies and industries is a great black box. And no problem can be solved until we can trace its contours and transform it from something vague to something concrete and observable.

Where does the raw materials of my product come from? How many kms did it have to travel to reach its production plant? Did it go through one or multiple plants to become what it is? Where were these plants? Our new tool empowers the client and certifies through Blockchain the answers to all those questions.

Two applications comprise the solution:



1. THE KARÜN TRACEABILITY SYSTEM™

Is a responsive web application that allows Karün customers to track their eyeglasses throughout the production process, interacting with a map and with different links on it, accessing multimedia content that illustrates each participant in the development of their eyewear along the way.

2. KARÜN BACKOFFICE

Responsive web platform that manages all the necessary information to feed the traceability system. Here, our team can upload information about the different

steps involved during the entire eyewear manufacturing process, from the collection and recycling of materials to distribution. Some selected transactional data in this process are protected using blockchain technology.

We developed a Responsive Web Platform for the management and traceability of Karün's value chain.

WHY IS IMPORTANT TO USE BLOCKCHAIN TECHNOLOGY?

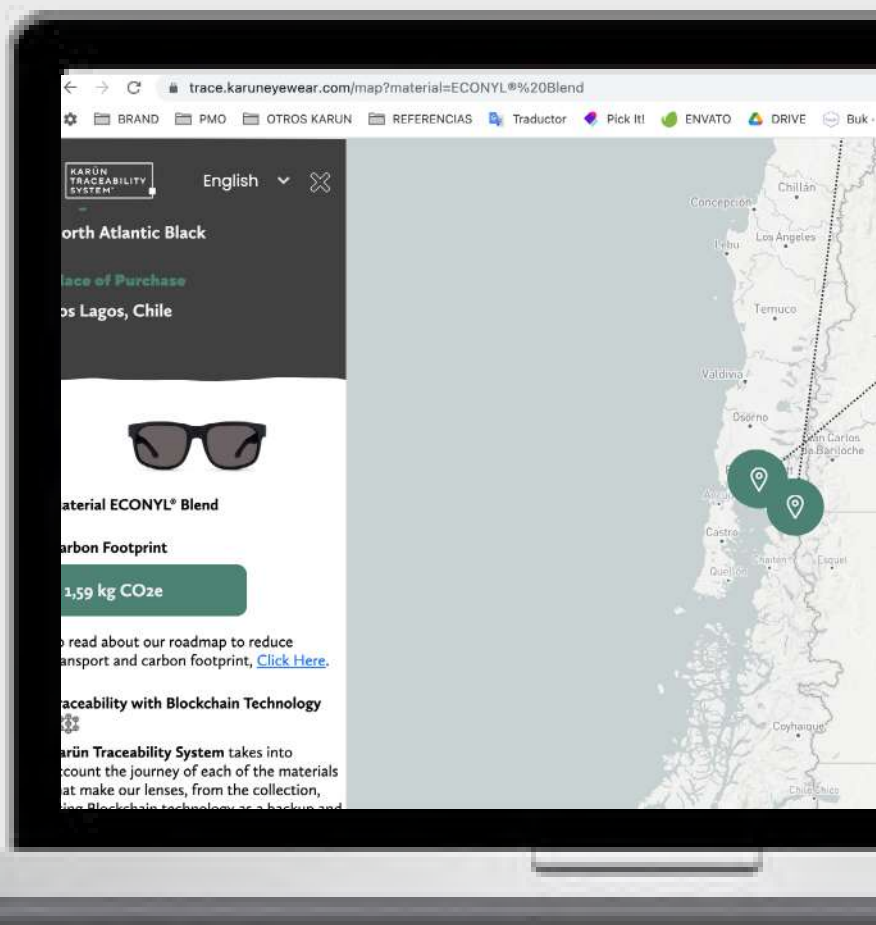
This technology allows us to ensure the customer, through external validation, all relevant transactions within the Backoffice application. To do this, a blockchain API located in an A1 AWS (Amazon Web Server) is invoked to persist and secure each transaction executed by the Backoffice system.

In this address, the Backoffice users within Karün will be able to save and secure information related to the different steps involved: (1) Collected batches, (2) Recycling batches, (3) Production batches and (4) Distribution batches.

In addition, the application provides the input for the multimedia content associated with each link, in order to display this content in the traceability system. This way you can see and connect with audiovisual content from the collections in Patagonia, from the plants, recycling centers, etc.

Why all this effort?

So that you can make informed purchase decisions. And also to encourage the rest of the industry to get on board. We want to inspire and catalyze the commitment of companies so that, together, we can change the parameters with which consumers can choose a product and, as a result, reduce carbon emissions globally.





04. VALUE CHAIN

2022 Milestones
Cycle 1: Collection and restoration
Cycle 2: Circular production
Cycle 3: Post-purchase impact

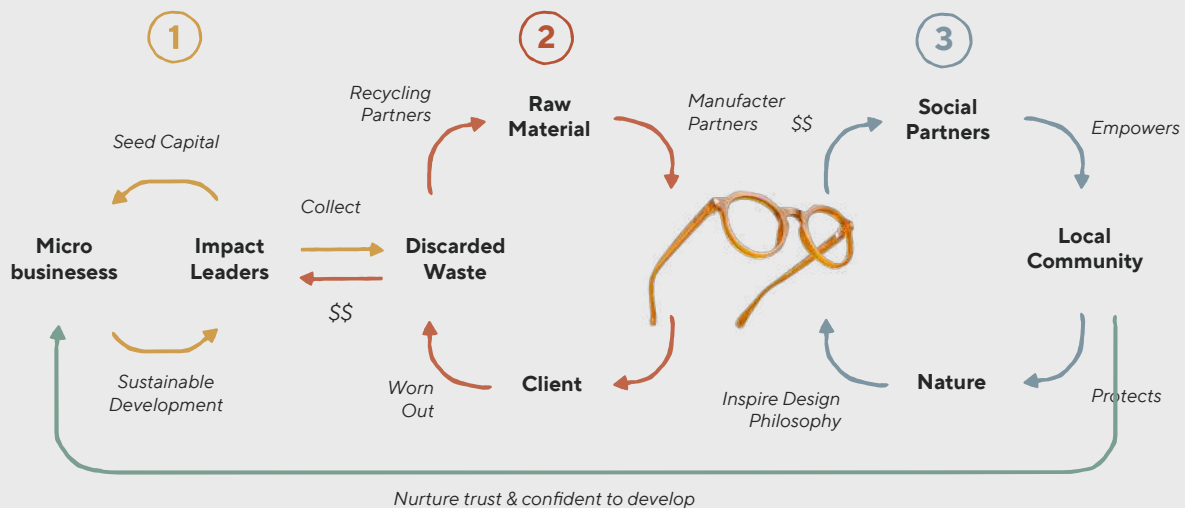
Value Chain: 2022 Milestones

Within any company that manufactures products, one of the most important elements is its value chain, the backbone of its production process.

At Karün we seek to build a cycle that addresses global issues and truly challenges the traditional rationales of development. Based on this vision, we need our value chain to emerge from the territories and from the communities, to stimulate the creation of social capital and contribute to the protection of natural ecosystems.

Product Process

The impact after your purchase



Cycle 1: Collection and restoration

By adopting a **model in symbiosis with the local community**, we are presented with a unique opportunity to connect with the real needs and opportunities of the environment. This allows us to tackle challenges together and through concrete actions, not only developing our products but also the territory itself.

In turn, this approach of working collaboratively with the communities helps us to build meaningful relationships with local stakeholders, resulting in a more sustainable business model with greater impact. Thanks to this relationship we can gain a deeper understanding of the social, economic, and environmental factors that affect the region and work collaboratively to develop solutions that benefit everyone involved.

In this cycle, we recover the raw material with which we manufacture our glasses.

This material accumulated for years, even decades, along the coasts and mountains of Patagonia, deteriorating marine and terrestrial ecosystems. Today it is being recovered through collaborative work with the neighbors of these localities.

They are true positive Impact Leaders.

In these collection networks, the community members themselves are the protagonists in caring for their environment. In Karün we have trained these same Impact Leaders and formalized this alliance, in order to buy the recovered and well-prepared material. In this way, this cleaning up of their own territory also turns into an additional income that can be used in their own ventures or to support their family income. Find out more about this cycle here.



One of the objectives of working with the Leaders is that the income obtained from the sale of discarded materials becomes a driver to strengthen other ventures they develop, with the purpose of not generating dependency. Although we strive to support the collectors so they improve their management and capabilities, we believe that these must also be transformed into capital so that they can implement and expand it in the various areas or services they provide in the region.

It is not our interest at Karün that the associated entrepreneurs only deliver materials with a high standard and fair price, that is just the beginning, we also want the tools they acquire along the way to operate as a sounding board that allows them to strengthen and expand other business.

Finally, it is very important to mention that this work could not be carried out without collaborative work. We want to thank our Impact Partners Starken and Atando Cabos for supporting in the transportation for these collections and ensuring the recycling of the materials collected from these natural places in Chile, without them none of this work would be possible.

Learn more about this cycle [here](#).

WHERE DO WE COLLECT?

This year in Karün we have managed to expand our reach in Patagonia, including from now on the district of Hualaihué and entrepreneurs from Chamiza and Calbuco. These new territories present great development opportunities and a high amount of marine debris.

Learn a little more about them:

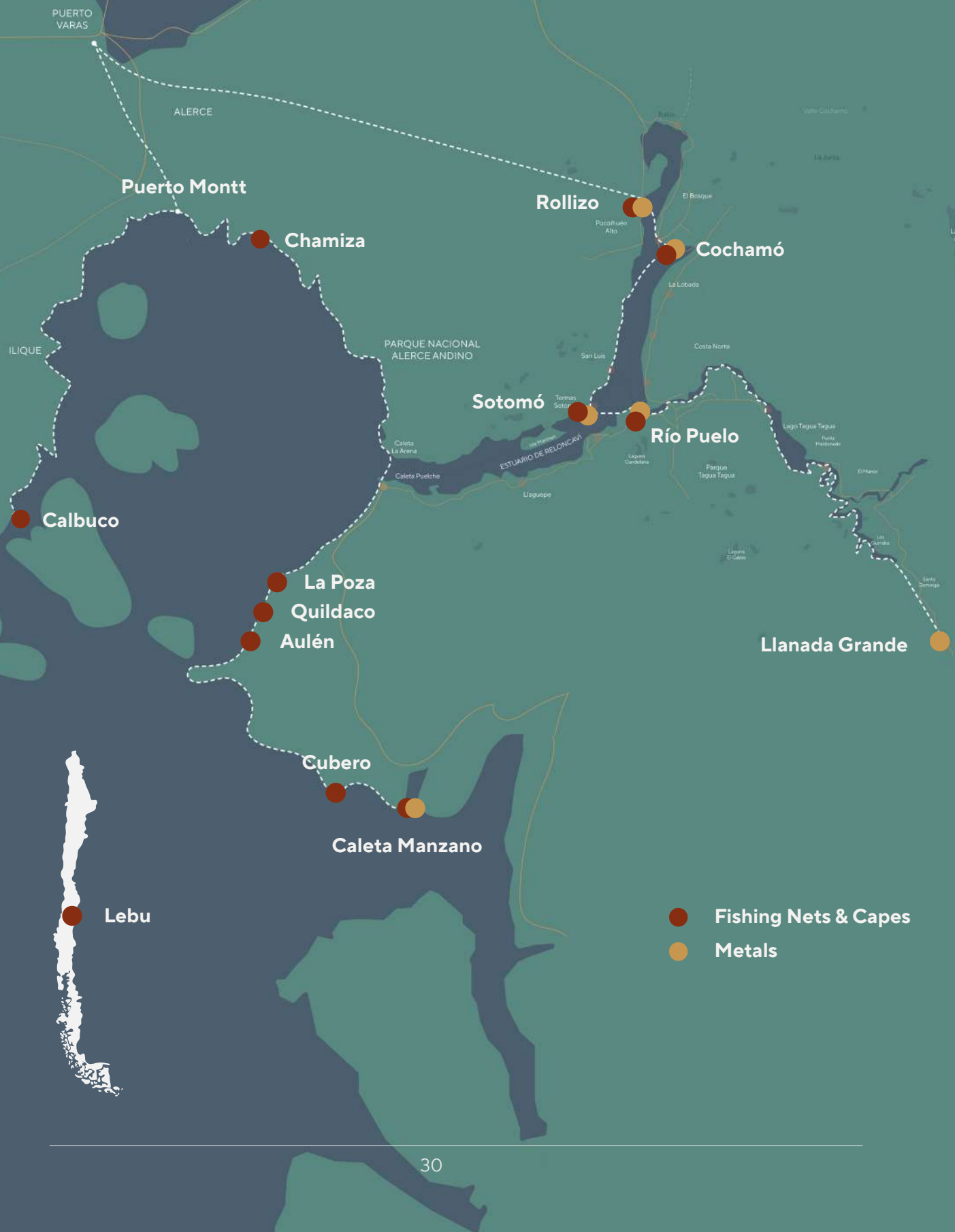
Chamiza: In this place, our Impact Leaders are Pilar and Paz, they have a workshop where they repair nets for mussel farmers in the area. The nets that are not in a condition to be reused are delivered to Karün to give them a new life.

Hualaihué: Together with the community of local fishermen, Atando Cabos and Sonapesca, we created an alliance that seeks not only to protect the community, by collecting the large number of disused ropes and nets they have on their coasts, but also to provide the neighbors an opportunity for additional income by purchasing this material.

Calbuco: In association with a local women's group, we managed to start a collaborative alliance. They collect discarded material linked to fishing in their commune and deliver it to Karün, which allows them to take care of their environment and obtain additional resources for their activities as an association.



In the following map you will be able to know our **collection chain in the different territories:**



Historic Information (2012 - 2022)

Total Weight (KG)	Materials		
Material Origin	Metal	Plástico	General Total
Aulen		300.6	300.6
Chamiza	183.0	5000.0	5183.0
Cochamó	29197.9	7088.4	36179.4
Coronel		37480.0	37480.0
Huelaihué	26920.0	222.0	27142.0
La Poza		177.2	177.2
Lebu		46036.7	46036.7
Llanada Grande	1685,31		1685.3
Nueva Braunau	7380.0		7380.0
Pargua		13976.0	13976.0
Puelo	21118.6	7410.8	9529.4
Puerto Montt	139.7	35830.0	35969.7
Puerto Varas	13.9		13.9
Puqueldón		1500.0	1500.0
Quildaco		530.4	530.4
Ralún	247.1		247.1
Río Blanco	217.0		217.0
Rollizo	428.0	772,4	1200.3
Sotomó	121.1	36,7	157.8
General Total	68775.1	156900.1	225675.1

Beyond Patagonia

Since we are also **present in the US and EU**, in 2021 we decided to go beyond Patagonia and teamed up with the organization **Healthy Seas** to contribute more globally to the fight against marine pollution through the collection of fishing nets worldwide.

Their work is articulated in multiple ways: on the one hand, through cleanups with volunteer divers who rescue lost nets in the depths of the ocean, educating and giving tools to the community to tackle this problem, and working in waste prevention together with players in the fishing sector, among others.

At Karün, **we are donating 0.5% of our total European sales in external channels and 2% of our total European sales from direct sources** (E-commerce) directly to this foundation. The nylon fishing nets they collect are regenerated together with other nylon waste by Aquafil into ECONYL® yarn, while other types of plastics are also reused or recycled.

This way, Healthy Seas helps us and ensures that these waste materials become a valuable resource and cease to be a danger to marine biodiversity.

This year 2022



Was **active** in

06

regions in **20 countries**.

removed or prevented

132.500

of fishing nets and other marine debris from reaching the sea, initiating a circular journey.

1.250

fishers and fish farms were involved in their activities.

3.400

children participated on their education programs.

350

divers volunteered during 188 diving days to salvage nets in depths of the sea.

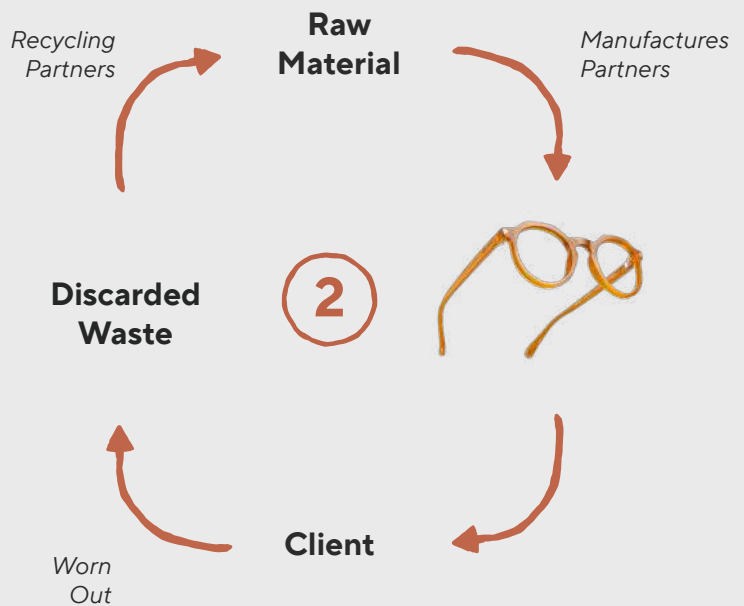


Cycle 2: Circular production

This cycle covers a fundamental part of the production chain, in which there is a circular structure that **includes the previously collected material to the end of the useful life of the glasses**, which can once again become raw material to make new glasses.

To implement circularity in our core processes, we consider that the product to be designed should be manufactured with recycled, reused or organic raw materials, and that once its useful life has expired, it should have collection channels that ensure that it can be reprocessed and used in new production processes for the manufacture of new eyeglasses or as a contribution to other production chains that benefit the communities and territories of Patagonia

Throughout 2022 in Karün we restructured, formalized and validated methodologies to ensure that all disused, damaged, and/or factory-defective eyeglasses could optimally close the circularity cycle in an increasingly effective way. For this purpose, we actively worked with collaborators residing in the communities of Chilean Patagonia. We also established alliances with recycling partners that will ensure that all the materials of our products have an efficient reprocessing and injection into new production processes. By 2023 we expect to materialize, now with impact leaders, the dismantling, segregation and recycling of Karün glasses collected in the Chilean market. At the same time, we hope to promote and extrapolate this initiative to our various markets around the world.

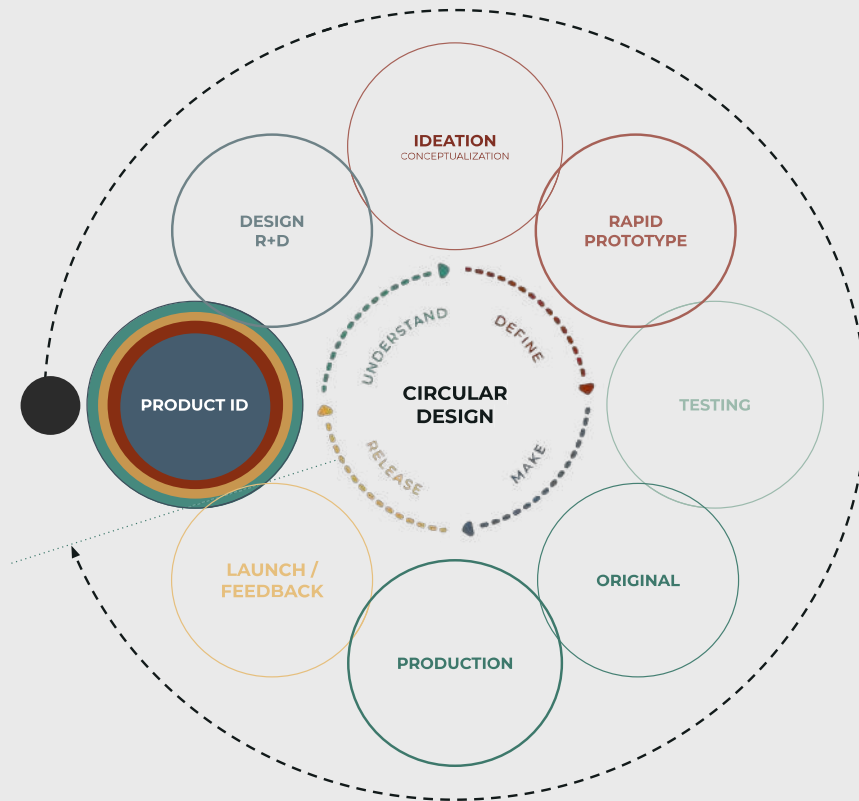


Once its useful life has expired it should have **collection channels** that ensure that it can be reprocessed.

Learn more about our circular production cycle 2 [here](#).

Product Design

A crucial point of this cycle is the design. Our **product design methodology is based on a circular model** that involves eco-design requirements and the use of indicators throughout the entire process, resulting in inspiring, innovative, and mindful products.



Materials	Certified sources	Energy saving	Shapes & style	Recyclability	Quality
Should come from recycled, noble, biobased, and/or renewable sources. In our exercise we should be promoting the conscious use of soils and the reduction of harmful emissions into the atmosphere.	The materials for the design and production of our products should be certified (or promote their certification and meet high quality standards and respect the requirements of environmentally friendly manufacturing.	The design of the product reduces or makes efficient use of materials. The manufacture of a Karün product promotes the conscious use of energy and/ or is made with renewable energy.	Timeless and sober design determinates our products, however some trend styles can be considered according to commercial needs when needed. Design should aim diversity as nature follows.	The materials and components of the products must be easy to separate and identify (exploded view) to promote its repair and/or recyclability.	A Karün product must look and feel as good -or better- than the leading brands. Recycled sources must always be perceived as a finished product and not as a prototype.
↓	↓	↓	↓	↓	↓
apply circular design tools throughout					

Our Materials



ECONYL®:

Through a radical process of material regeneration and purification (such as fishing nets and other sources), **nylon waste is recycled to its original purity**, a pioneering technology in achieving these results. This means that ECONYL® regenerated nylon **has the same technical features as virgin nylon**. No waste. No new resources. Just endless possibilities.

METALS:

The recycled metal used in the production of our frames come **from different officially certified sources**, which provide discarded material for us to recycle. As we always seek to further our commitment to protect and restore nature, every gram of recycled metal we use is also **overcompensated through the collection of tens of tons of scrap metal** in isolated areas of Patagonia.

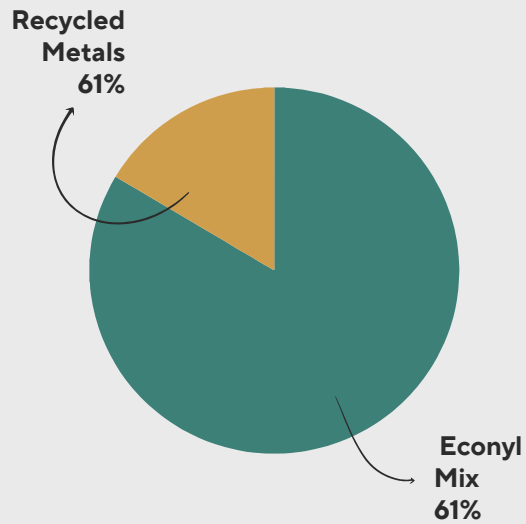


POLYCARBONATE:

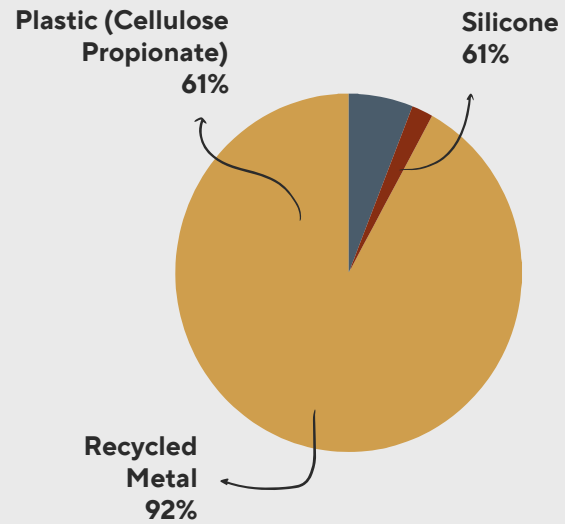
The polycarbonate used to produce these frames comes from a **strategic partner in Spain**. They provide us with **recycled polycarbonate** from the automotive industry, turning old car headlights into high-quality eyeglass frames.

This is the distribution of materials according to the type of product:

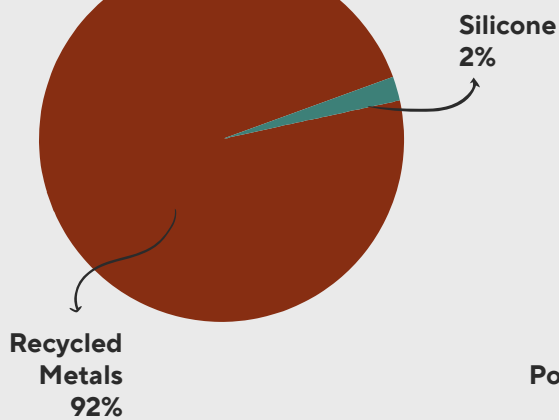
GRAPHIC 1
Econyl Models



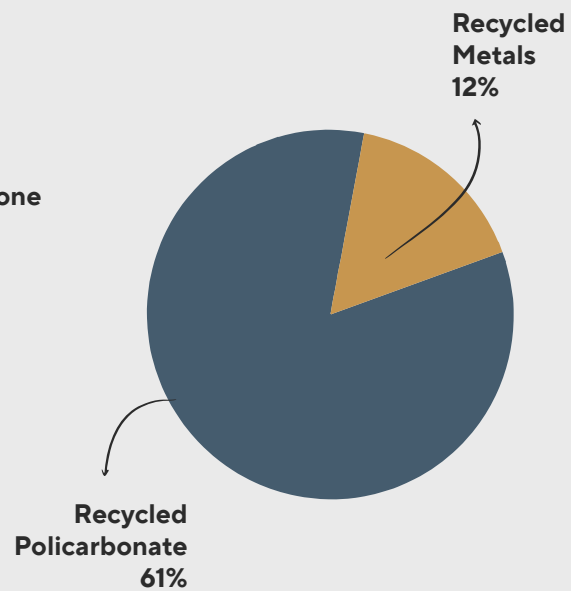
GRAPHIC 2
Recycled Metal Models



GRAPHIC 4
Recycled Metal Models
Without Rod End



GRAPHIC 5
Polycarbonate Model



Packaging

The materials of our main collections packaging are:

RECYCLED CARDBOARD BOX: All of our products are packed in FSC-certified and recycled cardboard, produced in China.

RECYCLED LEATHER CASE: All our products are packed in recycled leather cases (70% pre-consumer recycled leather (RM0056) + 30% polyurethane (RM0210), which are produced in China.

New packaging pilot

This year, thanks to the lessons learned from the aforementioned Life Cycle Analysis (LCA), we saw the **need to reduce the carbon footprint of our packaging.**

The 2021 Status of our packaging was the following:

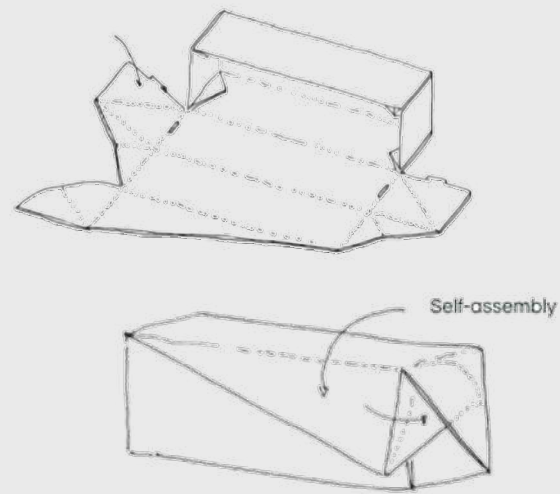


The challenge was to look for improvements to make our **packaging lighter, more efficient in the use of material, easier to recycle and without using glue**, in addition to looking for alternatives to the recycled leather of the case to avoid materials of animal origin (very strong carbon footprint)

In 2023 we launched the pilot of the first collection of glasses packaged with the efficiencies recognized in LCA analysis. After testing it on the market, we want to implement it in the rest of the Karün collections.

The improvements were the following:

1. CARDBOARD BOX: We created our own packaging inspired by origami techniques. An innovative structure that uses the minimum amount of material to provide the necessary protection for our products. In addition, the box uses **0 glue, the weight was reduced by 79%**, and the materials were reduced from 3 to 1 **mono-material**, something essential for the subsequent recycling of the product and therefore in compliance with the principle of circular design.



	 Actual Lifestyle	 Reading Launch
Weight Grams	160,0	29,3
% Weight	100%	18,3%
Material	Cardboard	Cardboard Paper 305 Back White
Typology	Hard Packed	Buildable

2. We eliminated the additional infographic paper, this was **replaced by text on the packaging itself**, for material efficiency and a cleaner experience for our users.

3. The recycled leather case was replaced by a **recycled PET case** in alliance with the organization Waste 2 Wear.

Packaging final result:



Manufacturing

It is in the last part of the second cycle of our value chain that our manufacturing partners, who are also strategic allies, come in. They are key partners in creating eyewear that meets the highest quality standards while working with the best raw materials we can find in terms of CO2 emissions, recyclability, and superior technical features.

Since 2015 we have been working with an Italian company, leader in the manufacture of injection glasses and high-tech creations. Located in the Dolomites, this factory helps us manufacture our products under high-quality standards and social and environmental responsibility.

Our second factory is a multinational company with facilities in China and Turkey, where we work with both. This factory has 20 years of experience and is recognized for its quality standards such as FDA, ISO 9001, and CE certifications and the importance they assign to their staff in everything they do.

The creation of our products in this factory is divided into two phases:

1. The injection molding process and the creation of the different parts of the product. This phase is carried out in their specialized facilities in China
2. The technical assembly and calibration process, where all parts are assembled and the lenses are calibrated. The result of this assembly process is the final product

and it takes place in their Turkish facilities.

On the other hand, **our straps are completely produced in Chile**, they are manufactured by artisans with a braid of cotton thread, leather scraps, and rivets made with recycled metal. Through an entire community of women, our straps seek to value artisan work and articulate a network of support, leadership, and entrepreneurship through a functional and quality product.

Learn more about this beautiful project [here](#).



Shipping

Among all the processes we had to audit for the LCA and review to re-measure our carbon footprint emissions and recertify as a carbon-neutral company, were all the actions that our Operations team carried out in the last mile. Below are some of the main ones:

1. This year we will continue to consolidate the strategic and commercial relationship with Ecoliga, who transport our products 100% by bicycle, covering a large part of the shipments in the Metropolitan Region of Chile (where our commercial office and operations warehouse are located), saving unnecessary carbon emissions, thanks to its environmentally friendly transport.

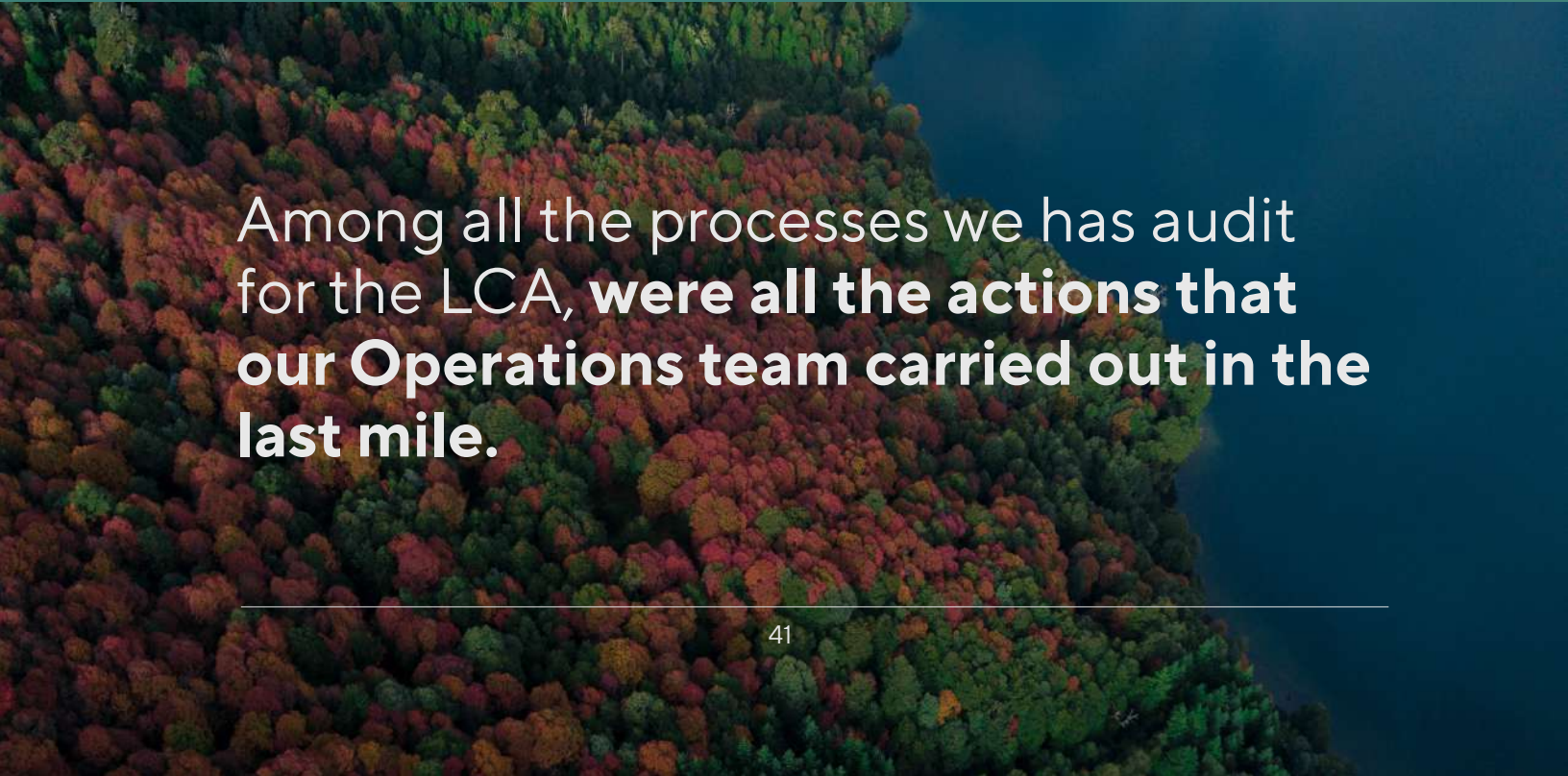
2. At the same time, we will also continue working with our Servisenior partners, a platform with which we send our products through persons over 50 years of age, promoting the development of job opportunities for adults.

3. We consolidated our business relationship with Greenmile in Chile, who provide us with compostable bags for our D2C shipments.

4. We implemented the Lobster 2.0 project, which consisted of internalizing the optical laboratory service at Logisfashion Chile premises. With this, it was possible to improve not only response times but also to reduce the carbon footprint emission by shortening the process flow and shipments

5. We work with a customs broker in Argentina that sends all the documentation generated from its processes (papers) to a public hospital to recycle and generate resources that serve as social aid to them.

6. The international shipments that we have made during 2022 with DHL have been with carbon offset selection.



Among all the processes we has audit for the LCA, **were all the actions that our Operations team carried out in the last mile.**

Reuse and Recycle

When the eyewear gets to the end of its useful life, **we invite our customers to send them back to avoid new plastic waste.** In return, we give you a discount on any new pair of Karün. The polycarbonate lenses we receive can be recycled, and the frames can be regenerated thanks to the Econyl® Regeneration System. **This means we can produce new ones, starting the circular chain once again.**

If the used product arrives in good condition, we try to re-adjust it to convert it to a usable condition. These products are donated to community initiatives.

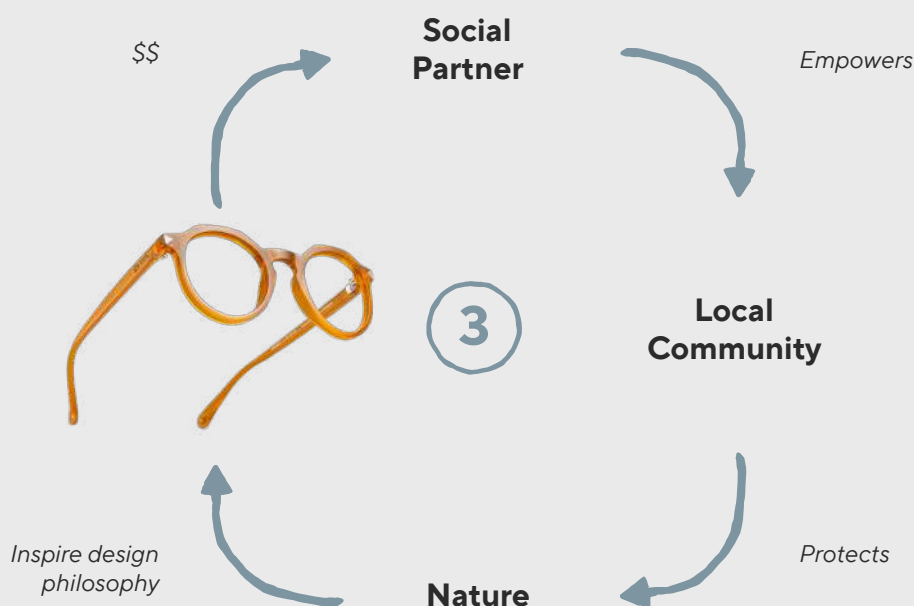


Cycle 3: Post-purchase impact

Each customer, by purchasing a Karün product, is directly contributing to the protection of the natural ecosystems of Patagonia, mainly in the district of Cochamó and Hualaihué. Through our collection network, as well as through other socio-environmental actions, we can give circularity to discarded materials that have been accumulated in the environment.

Today, our eyeglasses use an average of 40g of recycled material. Understanding this figure, in Karün we have set ourselves the goal of collecting at least 20 times this amount for each sold eyeglass, achieving today an average of 800g of waste collected per eyeglass.

In addition, in collaborative work between the local government, civil society organizations, and other local institutions, we have participated and promoted other territorial actions in line with the needs of the districts and the philosophy of our company.



Find out more about this cycle [here](#).

These are some of the post-purchase impact milestones of 2022:

1. OPHTHALMOLOGICAL OPERATIVES

The 2022 ophthalmology operation carried out in Hualaihué and Cochamó is an example of how innovation and collaboration can improve the lives of people in the community. **Thanks to the Cyber sales, we were able to raise the necessary funds to carry out an ophthalmological operation** in these isolated localities and reduce the waiting list in the different medical centers of the district. The ophthalmology operative allowed many people to receive quality medical care and solve vision problems, improving their quality of life as well as giving them Karün glasses completely free. The efficiency in the organization and coordination of the operation made it possible to attend to a greater number of patients in a short period despite the characteristics and difficulties of the territory. These types of initiatives demonstrate how technology and online sales can be used effectively to raise funds and support causes with a positive impact.

150

patients
treated in
Cochamó

- 31 [> 18 años]
- 18 [19 & 30 años]
- 31 [30 & 50 años]
- 70 [>70 años]

86

patients
treated in
Hualaihué

- 20 [> 18 años]
- 28 [19 & 30 años]
- 38 [> 65 años]





34%

of those who received glasses had

presbyopia correction
as their first need



Nearly

65%

**of the patients
were women.**



+66%

of the glasses delivered
**correct long-distance
vision problems**

2. SCRAP CAMPAIGN

The first scrap collection campaign in Hualaihué has been a success thanks to the successful collaboration between the local community, the Municipality of Hualaihué, Aza corp. and Karün.

The combined efforts of these parties made it possible to carry out an efficient campaign to collect and recycle scrap metal in the area. The active participation of the community was key to the success of the campaign, as many people came together to donate and turn in disused objects they had. The Hualaihué Municipality provided the necessary

resources to organize and coordinate the campaign, while Aza and Karün were in charge of collecting and recycling the materials. The scrap campaign had a positive impact on the environment by reducing the amount of waste in the area (we even took out old cars!) but also by promoting the practice of recycling in isolated sectors. The collaboration between these parties proves that when we work together, we can achieve great things and create a more sustainable future for our communities.



27

**tons were
collected
in total.**



EDUCATIONAL WORKSHOPS AT THE PUELO SCHOOL

This year we have held several educational workshops on sustainability for students from the Puelo school.

These workshops provide students with the opportunity to learn about sustainability-related topics and how they can contribute to a greener and more sustainable future.

The workshops include a variety of practical activities, such as organic waste composting, beach cleaning, and biodiversity preservation, which help students understand the importance of caring for the environment and take concrete steps to protect it. In addition to being a learning opportunity, these workshops are also a way to engage students in concrete and challenging projects that allow them to apply their acquired knowledge, practical skills, and a sense of responsibility and commitment to the environment.

These workshops also give them tools to lead sustainable initiatives in the future if they want to.

different levels of primary and secondary education participated

achieving a call of approximately

120
students.





BUOY REMOVAL IN COCHAMÓ

The fishermen's union of Cochamó and Karün come together to improve access to drinking water for all their inhabitants. Therefore, it has been decided to **remove the buoys found on the waterfront, which are in disuse, and thus reuse them in the construction of water tanks for the community.** This measure seeks to guarantee a constant supply of quality water for the population. In addition, it will make it possible to optimize the use of available natural resources and will contribute to the preservation of the environment. This project will be carried out with the support of the Polychem company in Puerto Montt, under the supervision of its experts in water resources management. Its implementation is expected to improve the quality of life of the Cochamó inhabitants and strengthen the community's unity and commitment to the care of its natural environment.



200
buoys in disuse
from coasts of
Cochamó.



Which correspond to
2400
kilos of recycled
plastic.

ENTREPRENEURSHIP AND COMMUNITY

During May, we celebrated a new **International Balloon in Cochamó**, where entrepreneurs from all over the commune participated.

Change agents from different parts of the world participated, who, for four weeks worked hand-in-hand daily with local entrepreneurs, under a unique knowledge transfer format that leads both parties to a unique linkage with reality and the local environment.

This program aims to **empower entrepreneurs** and their individual projects through which **local leaders can be formed, and who, in different spaces of social linkage, actively participate in the implementation of relevant solutions to socio-territorial challenges.**

Balloon Latam's socio-territorial intervention model works simultaneously in three dimensions: person, community and territory.

PARTICIPATION IN COMMUNITY FAIRS

This year with Karün we have participated in several community fairs in Cochamó. Our commitment to the development of the district has led us to provide financial support and the distribution of prizes in the form of their eyeglasses for these events. These sponsorships not only allow us to publicize our products in the locality where we obtain the raw material, but also **allow us to interact directly with the members of the community, listen to their needs, and obtain valuable points of view** that allow us to better understand how to support this area of Patagonia.

Expoguales

Puelo 2023

Feria Rollizo, Herreros del Sur

Cochamó 2023

We have supported

+300
entreperneuship
from the district

from various fields, including tourism, gastronomy, and crafts.





05. MAIN RESULTS

Certifications
Recognitions
Impact Leaders
Collected Materials
Sales
CO2 Corp
Internal Training
Internal Organizational Culture Survey

Main Results 2022

Certifications and Recognitions

Empresa



Certificada



We won the **Most Sustainable Eyewear Brand** award for the second consecutive year at the Global Brands Magazine awards.

Our CEO Thomas Kimber was recognized by Sachamama in the list of the **100 most committed Latinos to climate action**, which highlights individuals for their commitment to climate activism, sustainable policies, and corporate impact.

"**Best Industrial Design in the Miscellaneous Category - 2022**" for our reading and screening collection at the 9th edition of the **CLAP Ibero-American Design Awards**.

We made it onto the list of the **top 100 companies with the best reputation in Chile** in the Merco Ranking, one of the largest corporate monitors in Latin America, where we were ranked as the **9th company with the best reputation** in the retail category in Chile.

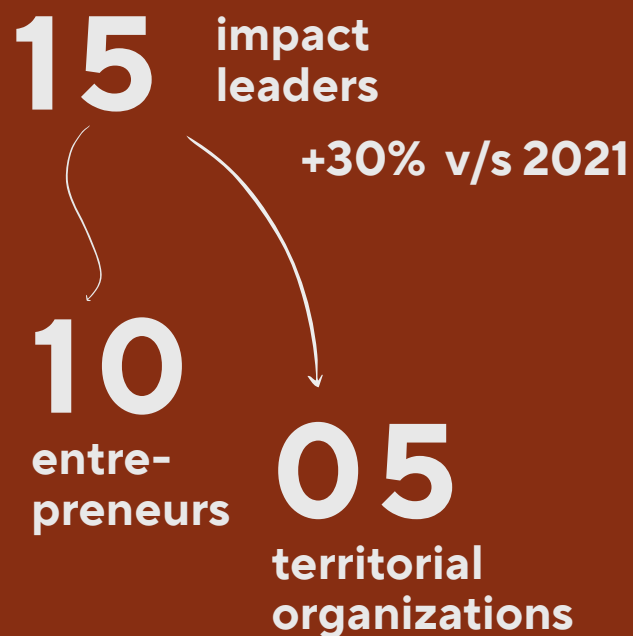
Impact Leaders

Our value chain begins with the collection in the territories, working together with neighbors from different communities in Patagonia.

These impact leaders, from different professions, locations, and generations, share a common ground: the deep conviction that it is everyone's responsibility to care for our environment.

We are in 5 communes, in 12 locations.
(we grew in 5 locations in 2022; **Chamiza, Calbuco, Quidaco, La Poza, Hualaihué**)
+ 70% v/s 2021

Main occupations: Fishing, Mussel farming, Construction, Gastronomy, Recycling



Tons of average per year:

1.3

We are in 5 communes
+70 v/s 2021



Collected Materials

During 2022, we continue to **strengthen our discarded materials collection strategy to contribute to caring for the environment**, creating opportunities for neighbors and community organizations, and supplying our value chain for manufacturing. These materials are obtained from our network of impact leaders, cleanup campaigns, and industrial materials.

2022 WE COLLECTED:

82

tons.

29

**tons. of
metal**

53

**tons. of
plastic**

HISTORICALLY WE HAVE COLLECTED: (2012-2022)

225.675,1

kg.

68.775

**kg. of
metal**

156.900,1

**kg. of
plastic**

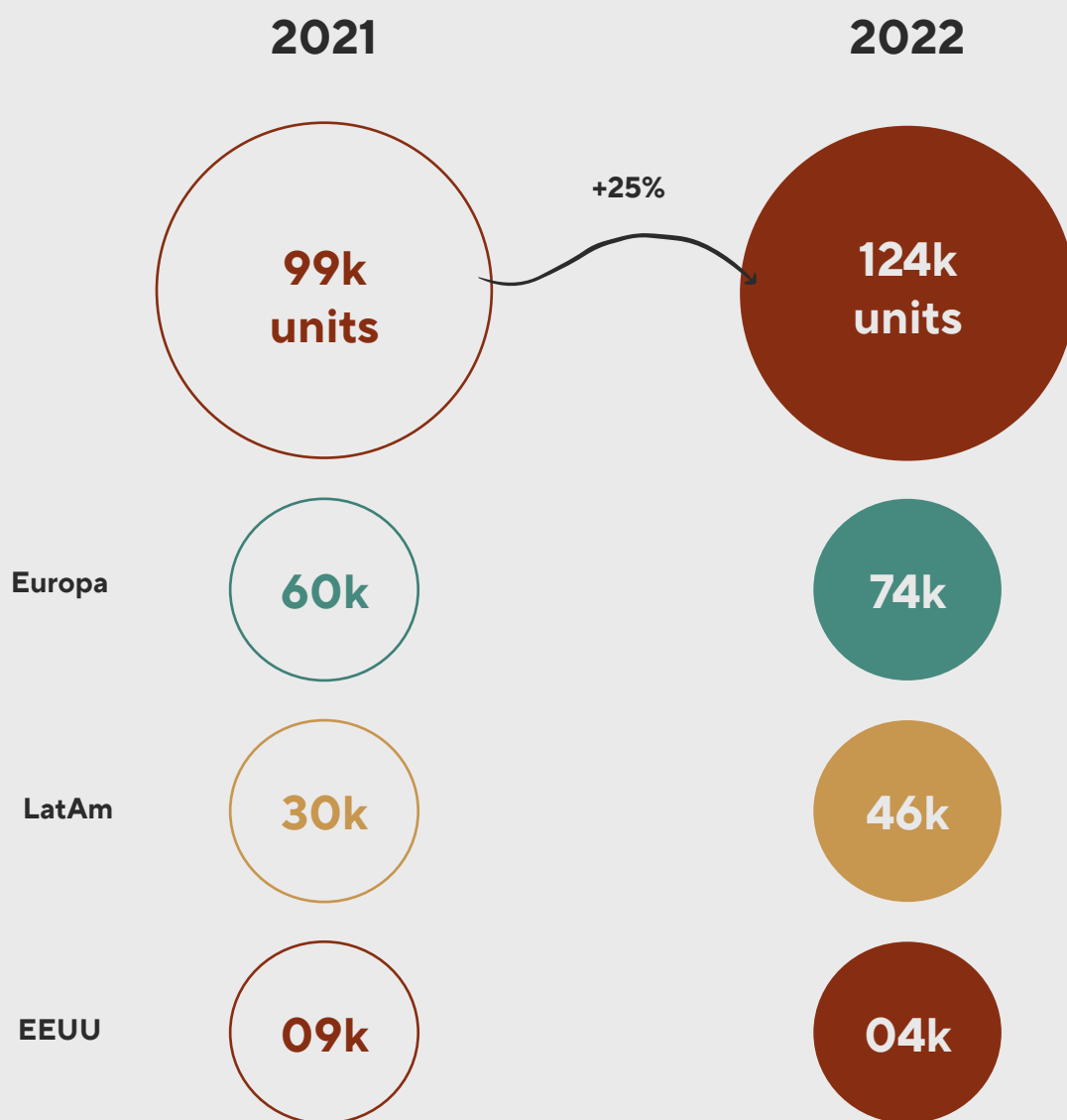
***For each eyeglass sold,
we collect 800 grs.
20 times its weight.**



Sales

MAIN ACHIEVEMENTS

- (1) Karün presence in GV chain in more than 14 contries.
- (2) Introduction to Frames Category.
- (3) Opening of Karün Flagship in Parque Arauco, Santiago, Chile.
- (4) Entry in Uruguay through a distributor
- (5) Participation to Vision Expo in Las Vegas with our booth.
- (6) Starting collaboration with Laboratories in United States.



Corporate Carbon Footprint

This year we compensated a **total of 85 tons of CO2** through the purchase and support of various projects such as:

1. "REDD+ ACRE AMAZONIAN RAINFOREST PORTFOLIO" in Brazil, a point of great biodiversity with more than 100,000 hectares. With the support of carbon financing, deforestation of the virgin forest with the greatest biodiversity in the world is prevented, working with local communities and groups, in addition to providing economic development models that avoid the destruction of the forest.

2. "VALDIVIAN COASTAL RESERVE" in Chile, this coastal reserve has one of the most carbon-dense forests on Earth. The conservation of 60,000 hectares of this forest has objectives such as biodiversity safety and scientific research.

3. "WIND POWER PORTFOLIO" in Chile, is a wind farm with more than 30 megawatts that supplies more than 55 thousand homes with clean energy.

In terms of carbon emissions measurement, there are three types:

SCOPE 1:

Direct emissions resulting from the company's control activities (from sources including heat, electricity, steam, or refrigeration).

KG CO2 emitted:

1.058

SCOPE 2:

Indirect emissions are generated by the use of externally generated electricity, heat, or steam consumed by the organization (from the generation of consumed and purchased electricity).

KG CO2 emitted:

13.836

SCOPE 3:

Emissions that are a consequence of the organization's activities, but that come from sources that are not owned or controlled (from waste disposal, employee transportation, business trips, transportation of raw materials and products, etc.).

KG CO2 emitted:

69.949

Of these 3 types of scope, only the first two are **mandatory for a company to be certified as Carbon Neutral®**, the third being optional, but we decided to include them anyway when evaluating our corporate footprint.

KG CO2 emitted (SCOPE 1 + 2 + 3):

84.843



Internal Training

Total hours:

484,8

(20 days and 4 hours)
of training.

Average per
collaborator

08,12

of training.

Of the total

55

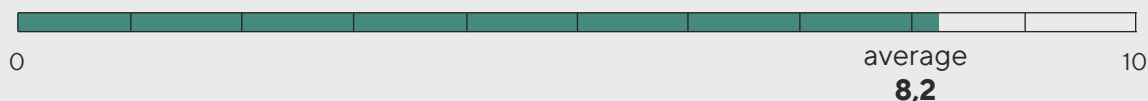
of Purpose

48

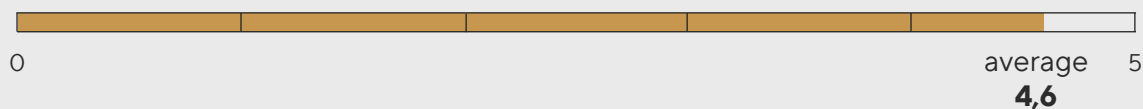
of Quality Mana-
gement System

2022 Internal Organizational Culture Survey

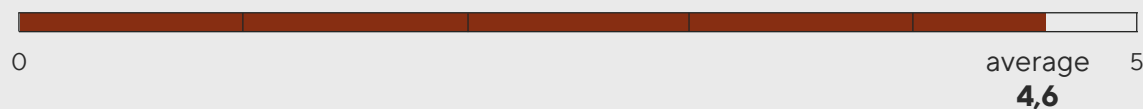
On a scale of 0-10, how likely are you to recommend Karün to your friends and/or family due to our internal culture?



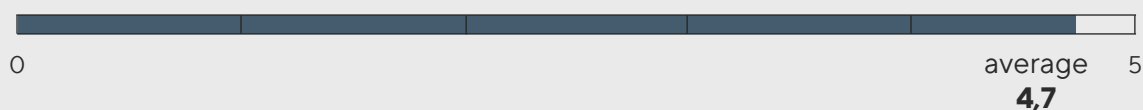
Are you proud to be part of the company?



Do you feel inspired by being a part of the company's mission and purpose?

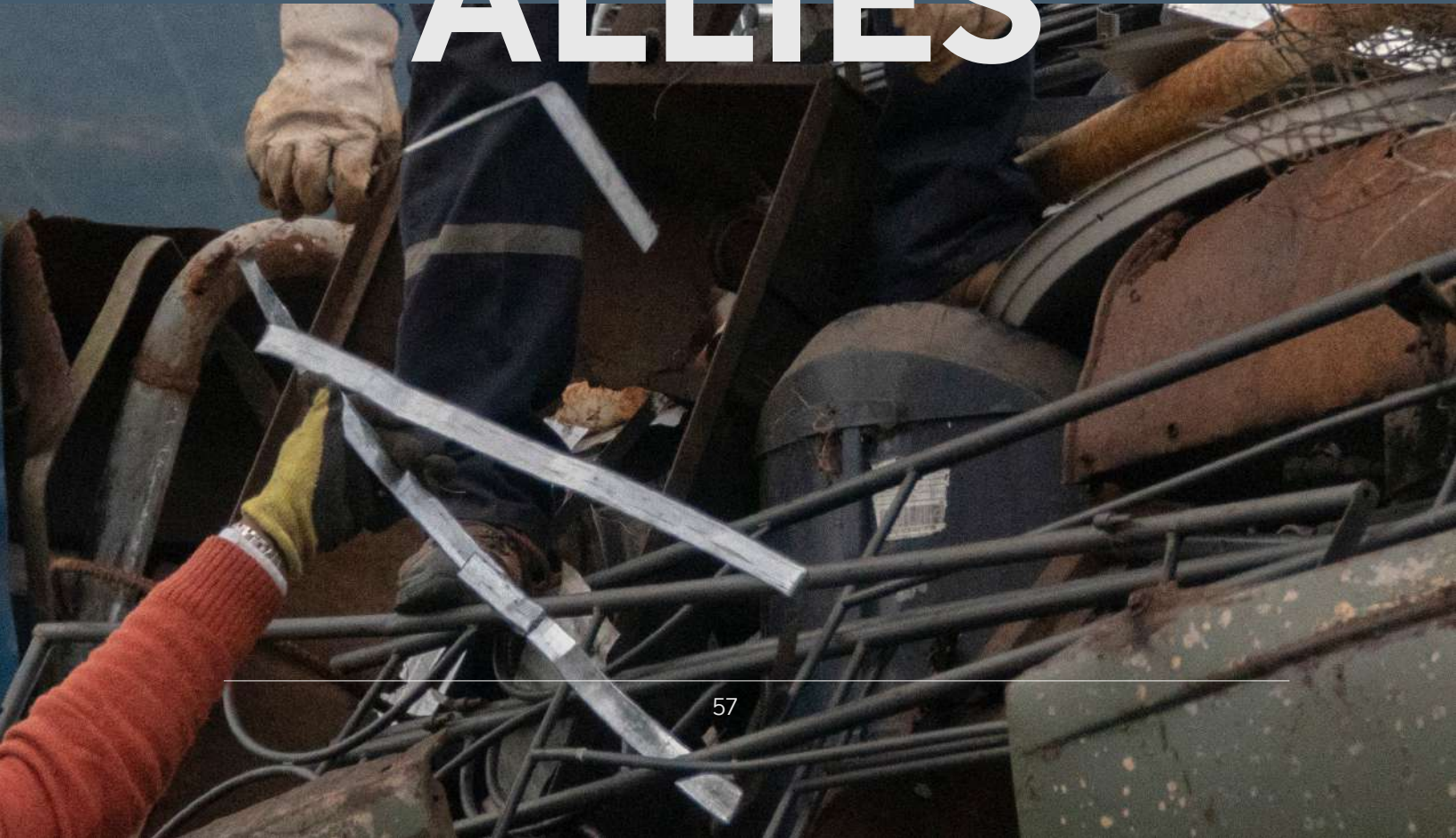


Do you have good working relationships with your colleagues?





06. IMPACT ALLIES



Impact Allies

During all these years, collaboration has become one of the fundamental pillars of our work. Each person, institution, or organization, from the private, public, or civil society sectors, has its strengths and weaknesses. Working collaboratively we can always complement our work to increase our positive impact in the territories.

These are the strategic allies that make our work possible:

Empresa



SISTEMA B: a company that supports different organizations to incorporate triple impact economies to structurally generate environmental and social impacts. Through its certification we quantify impact metrics with the community, our workers, suppliers, customers, etc., to achieve an inclusive, equitable, and regenerative system. In Karün we have been part a B Corp since 2012!



CARBON NEUTRAL: Climate Impact Partners' CarbonNeutral® certification is the most recognized carbon neutrality certification in the world. This company provides us with a set of guidelines for achieving and maintaining carbon neutrality, as well as a rigorous and transparent framework for measuring our products and activities. Thanks to them, we can offset the footprint that we work hard to reduce each year.



GREEN TICKET: With more than a decade of experience in sustainability, these partners help us drive sustainable growth while reducing our environmental impact. They specialize in measuring and controlling our CO2 footprint, both corporate and product.



AQUAFIL: For 50 years Aquafil has been a producer of raw materials, a leader in the production of Polyamide 6 and recycled yarn. It is one of the first companies in Italy to adopt a holistic approach or vision of a product and to evaluate its environmental impact, through the ECONYL® regeneration system.



HEALTHYSEAS: HealthySeas is a registered charity founded in 2013 to address the phenomenon of ghost fishing, which is responsible for sky-high numbers of marine animals. Through clean-ups with volunteer divers and working with stakeholders in the fishing industry to prevent marine litter, we collect debris nets and ensure they become valuable resources that will later be transformed into raw material for our eyeglasses.



AZA STEELS: Company that manufactures steel products from the recycling of iron scrap. Thanks to their concern for the environment and the communities, we have joined together in different campaigns to remove scrap in isolated territories of Patagonia.



COMBERPLAST: Comberplast manufactures a range of products in recycled plastic that are marketed throughout Chile. With more than 25 years in the market, it transforms plastic into new materials with an innovative technology that allows preserving the same quality as virgin material. With them, we have transformed recycled fishing nets into raw materials for eyeglasses..



STARKEN: Company dedicated to national and international distribution, storage, and logistics. It is a great ally that supports us monthly with the collection of recycled metals, nets, and ropes, traveling monthly with their trucks through the Cochamó and Puelo.



BALLOON LATAM: Certified social B company that seeks to install entrepreneurial competencies in rural communities, generating a shared vision of territorial development through effective participation.



TALLER VERDE SUR: Recycling company for household waste in Puerto Varas, who also conducts regular educational workshops for different educational centers on waste management. They help us with the recycling of our waste in the Puerto Varas office!



REMBRE: Company in charge of the removal of recycling from our office in Santiago, which removes plastics, metals, cardboard/paper, tetra pak, glass, and plumavit every two weeks.



REGENERA ORGÁNICO: Company in charge of removing organic waste from our Puerto Varas office, preventing it from ending up in landfills.

Sustainability has been our priority since Karün was born in 2012. That is why this report is not just about what we did last year, but actually, about measuring and understanding the progress we made concerning our long-term commitment to the planet.

We celebrate our achievements. And we learn from where we are falling short. In turn, this report helps us to challenge our strategies and decisions to understand how we can improve in the years ahead to more effectively approach our goals.

At the same time, we hope that these actions will also help us to inspire more people, institutions, and organizations to truly live in harmony with themselves and the planet. The more of us there are, the greater the positive impact. And that's what we need to reverse this crisis, collective change. A different point of view.

Thank you for reading our report and joining us on this journey!

Karün Team



KARÜN

EST. IN PATAGONIA

