

ace & tate

Modern Slavery Act

For the financial year ended
31 December 2022

Hi!

We're Ace & Tate and we make glasses.

It sounds fairly simple and that's the whole point. We're here to inject a good dose of common sense into our industry by making well-designed, quality eyewear accessible to everyone. Great fits that last, for all eyes.

This Modern Slavery Act statement (hereinafter the "**Statement**") encourages us to be more transparent on how we ensure that modern slavery (exploitation of other people for personal or commercial gain) doesn't exist in our operations and supply chain. The Statement creates more transparency and sets out the necessary standard for all layers within our supply chain. It demonstrates our values, alongside describing what we consider good labour standards.

We fully respect human rights in our operations and extended value chain and we are committed to conduct our business ethically and sustainably. We support human rights as defined by the Universal Declaration of Human Rights, which recognizes that "all human beings are born free and equal in dignity and rights." Modern slavery (i.e. slavery, servitude, forced labour and human trafficking) goes against everything Ace & Tate stands for and is fundamentally unacceptable within our business and supply chains. We are fully committed to combating modern slavery and we are committed to improving our practices in this area.

Facing continuous growth, our responsibility to act on our adverse social and environmental impact increases every day. Every frame we produce, every lens we cut and every package we ship has an impact on both natural resources and the people involved. We want to serve as a force for good, having a positive social impact.

This Statement is released in compliance with section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 (SB 657). It constitutes our Statement for the financial year 2022 and intentions for 2023.

Signed on behalf of the Board of Directors

About us

Ace & Tate was founded in 2013 and currently employs 645 employees. We currently have over 80 stores across Europe (with more in the making!). [Click here](#) to view all of our store locations. Ace & Tate’s headquarters is located in Amsterdam, the Netherlands.



Our supply chain

We’re committed to being a more responsible business everyday. Our frames are thoughtfully designed by our inhouse team in Amsterdam. We work closely with our manufacturers across the globe to produce our frames. We ensure that these manufacturers meet our standards of social and environmental responsibility and we will continue to seek innovative technologies to create well designed, quality frames.

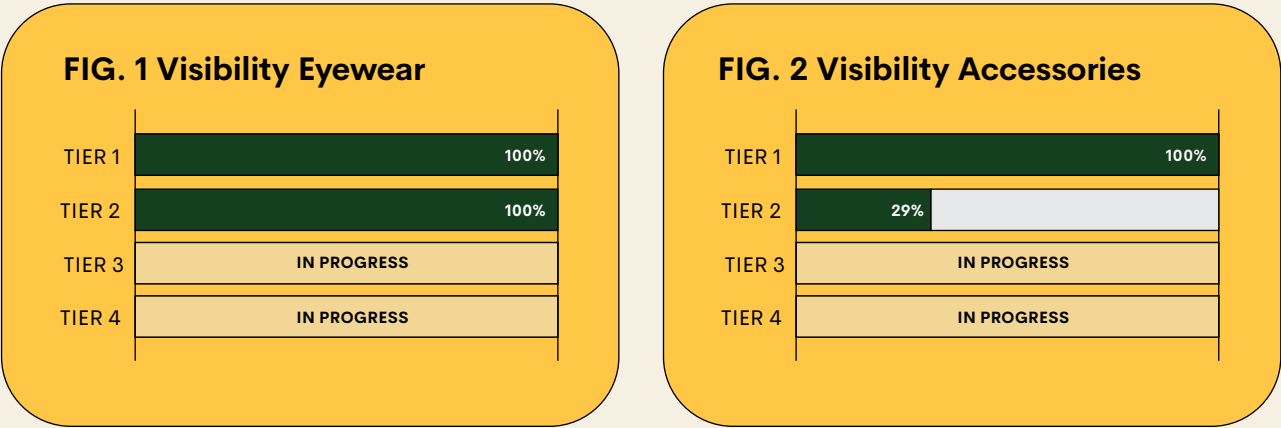
Knowing where and under what conditions our raw materials and products are sourced and manufactured is key to ensuring better conditions across our supply chain.

Transparency and accountability across the supply chain

As a result of obtaining more visibility of our supply chain we have been able to further expand our ongoing due diligence process. We recognize that our primary challenges related to modern slavery and forced labour are concentrated among our indirect suppliers. This underscores the crucial significance of mapping and comprehensively analysing our global supply chain. The key to a more ethical and sustainable industry is to hold ourselves and our partners accountable. We are committed to nourishing long lasting partnerships and choose to work with partners who share our commitments and values. Our partners understand that we aim for the highest level of supply chain transparency and accountability. We firmly believe promoting fair labour and environmental standards throughout the entire supply chain contributes to a thriving, more sustainable eyewear industry.

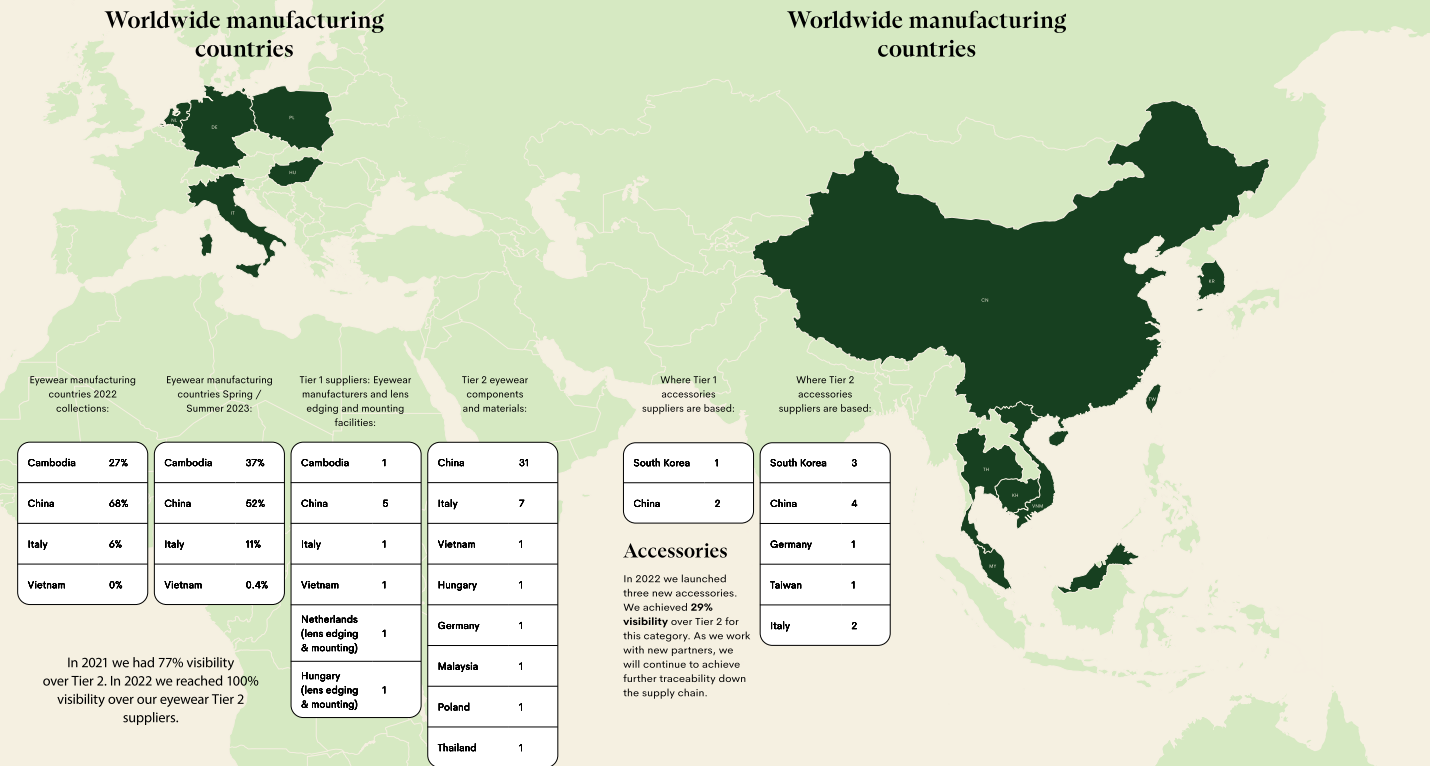
In the financial year 2022, we continued to map out the supply of our products to increase visibility across the different tiers. Expanding to new product categories also meant onboarding new suppliers, ensuring our values of transparency are shared and our responsibility standards are met. We are therefore continuing to focus on improving and increasing supply chain transparency and product traceability.

Figure 1 and figure 2 demonstrates the level of visibility of our supply chain across the different tiers of both eyewear and accessories. Figure 3 showcases where our products are made.



Please see Figure 3 on the following page:

FIG. 3 Where it's made



Our policies and agreements to combat slavery and human trafficking

Our policies and commitments guide our approach to managing human rights. We aim to ensure that human rights due diligence is carried out systematically and consistently and we are committed to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Ace & Tate has developed a set of social and environmentally responsible related policies and standards that support this commitment, that we expect all of our direct manufacturers, suppliers and business partners to comply with.

Supplier Code of Conduct

All our direct manufacturers, suppliers and other business partners share our values and are required to read and sign our Supplier Code of Conduct (hereinafter the **"Code of Conduct"**). and all standalone policies when entering a business relationship with Ace & Tate. By signing, they confirm their understanding of the Code of Conduct and they guarantee to comply with the terms of this document. The Code of Conduct is based on the UN Guiding Principles (UNGP'S), OECD guidelines, as well as the conventions and recommendations of the International Labour Organisation (ILO).

Zero tolerance

We enforce a zero tolerance policy in the event of violations or non-compliance with our Code of Conduct. We do not hesitate to terminate the relationship with the business partner in accordance with agreed terms and conditions

The Code of Conduct comprises core labour rights, including, but not limited to:

- Employment is freely chosen¹
- Freedom of association and the right to collective bargaining²
- No discrimination is practised & equal rights are given to all³
- Living wages are paid⁴
- Working hours are not excessive⁵
- Working conditions are safe and healthy⁶
- No child labour⁷
- Regular employment is provided
- No corruption
- Access to remedy
- Transparency & traceability

We are constantly learning, and implementing and updating new policies in line with the key risks and needs of our business. Subcontracting shall not take place without prior written approval, which is explicitly mentioned in our general purchase terms and conditions. All production orders must be placed within facilities that have been pre-approved in writing by Ace & Tate, in order to ensure that the same standards are taken into consideration.

Legal compliance

Next to our Code of Conduct and this Statement, we expect our suppliers to respect all applicable laws, regulations and prevailing industry standards.

We require our suppliers to address any conflicts between the General Purchase Terms and Conditions, the Code of Conduct, the Modern Slavery Act Statement and applicable laws and regulations to us, in order to jointly establish the most appropriate course of action. If our Code of Conduct and this Statement is different from national laws and/or other applicable regulations or standards, the most protective of these will prevail.

¹ ILO Convention 29 and 105
² ILO Convention 11, 87, 98, 135 and 154
³ ILO Conventions 100, 111, 143, 158, 159, 169, 183 and 190
⁴ ILO Conventions 26 and 131
⁵ ILO Conventions 1 and 14 and ILO Recommendation 116
⁶ ILO Convention 155
⁷ ILO Conventions 10, 79, 138, 142 and 182 and ILO Recommendation 146

Human rights & social compliance

We understand that being aware of the risks we have within our supply chain will help us prepare for and prevent any issues that may arise. We have a direct line of communication with our suppliers in tier 1 and 2 to establish a two-way level of trust and respect. That's how we're able to maintain a high standard and it feels good to get to know the people we work with.

When we are looking for new suppliers, we have set guidelines in our internal Responsible Sourcing and Procurement guidelines to ensure new suppliers comply with our requirements.

These procurement guidelines outline our process for ensuring ethical and responsible practices along our supply chain and sustainable product development. The outline of this file is in line with our responsibility mission, B Corp certification and international standards and frameworks on CSR practices.

These guidelines are enacted through the collaboration of the 4-fold team, consisting of the Product, Buying, Quality and Responsibility team. In a collaborative effort, these teams ensure all new products and suppliers meet our commercial requirements and sustainability standards, documentation is complete and traceability and transparency is ensured.

Ethical audits

An ethical audit aims to understand how factory practices benchmark according to local laws and the universal ILO labour standards. We accept internationally recognised standards such as amfori BSCI, SMETA, WRAP and SA8000. We require annual ethical audits from our direct tier 1 suppliers to ensure working conditions and human rights standards are met and processes to ensure environmental compliance are in place. When there is no valid audit in place we schedule a SMETA audit. The SMETA audit enables us to assess our production sites and suppliers to understand working conditions in their supply chain. The audit is conducted against Health & Safety and Business Ethics & Environment.

We collect the audit reports annually and follow up on non-conformities if reported in the form of a Corrective Action Plan.

The Corrective Action Plan is collectively established with our suppliers for further improvement. The Corrective Action Plan is part of the final audit report and established by the verified third party auditor and includes time bound requirements on areas of improvement.

We expect our suppliers to be open to achieving any other international standard certifications or audits. We request all our suppliers to always be open and transparent so we can assess whether they respect our values or not. The process of such an assessment may consist of an initial collection of social accountability and Code of Conduct related information.

In cases where our product suppliers find it difficult to work through the Corrective Action Plan, we do our best to help them understand and address the root causes of particular issues and to develop systems that prevent such issues from occurring again.

The social audits are conducted by carefully selected, verified, third parties. All auditors have received detailed training on the indicators and root causes of modern slavery.

Even though audits are not a means to an end and we are not solely reliant on them, we believe audits are a great starting point to improve our supply chain practices. We believe that audits help us ensure monitoring working conditions, responsible practices, consistency and continuous improvement.

Due diligence process for slavery and human trafficking

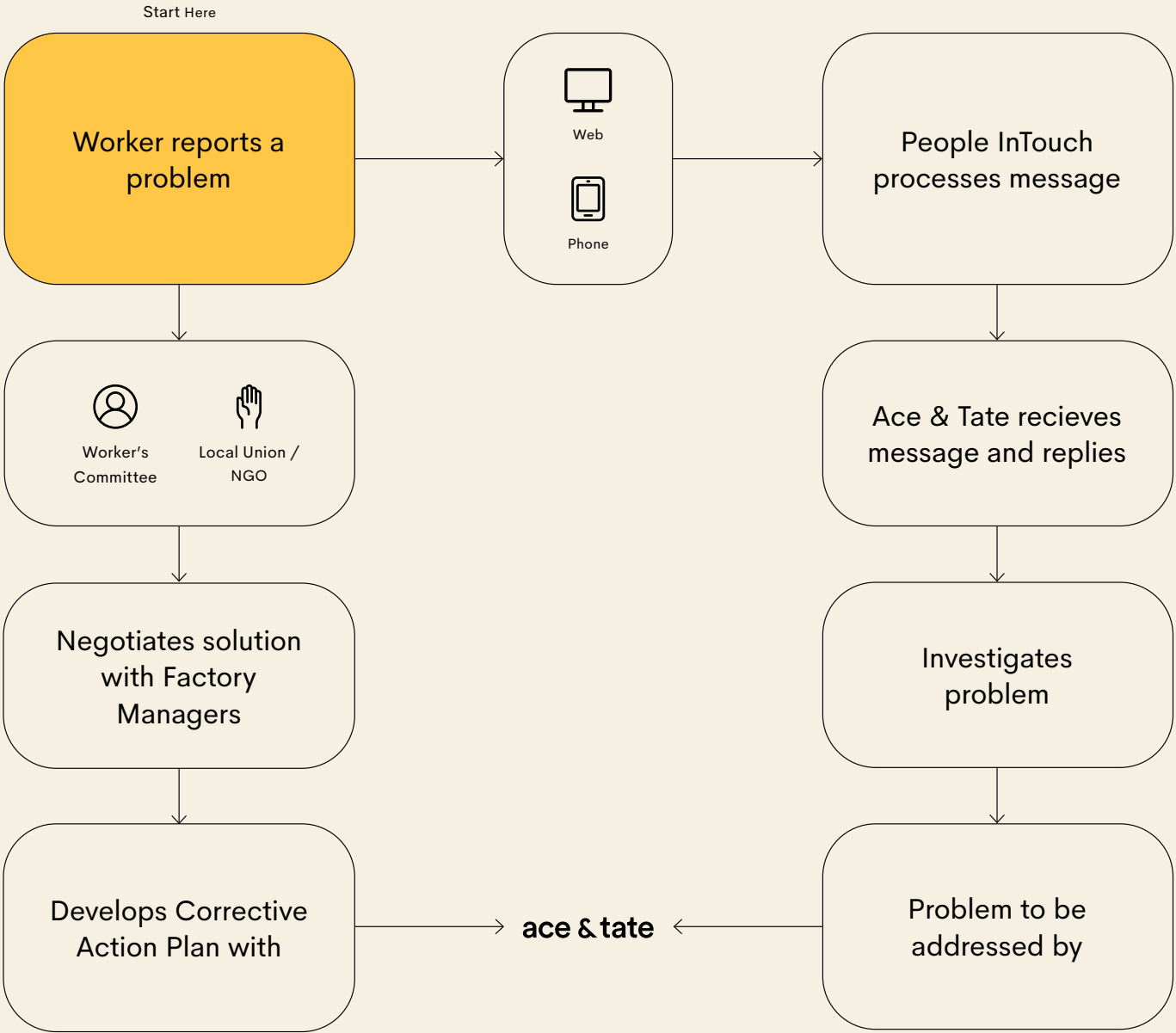
Operational workplace grievance mechanism

Effective grievance mechanisms help not only to prevent human right violations, but they also constitute an important source of information on human rights risks. Monitoring the complaints being raised enables businesses to identify new, emerging or endemic issues early on, as well as to assess the effectiveness of existing mitigation actions and take additional steps if necessary, thus directly feeding into broader human right due diligence processes.

Supply chain workers potentially face numerous human rights violations, such as modern slavery, sexual and/or verbal assaults, workplace accidents and/or gender or ethnicity-based discrimination. To minimise the risk of occurrence we expect our suppliers to implement one (or more) social grievance mechanism(s) themselves, e.g. by setting up a suggestion box, hotline, e.g..

In 2022, Ace & Tate - in collaboration with People InTouch - has introduced the **SpeakUp** program which was introduced with all of our Tier 1 eyewear manufacturers. The SpeakUp programme was established to explain how, when and where one could raise concerns about any suspected misconduct. Our goal was to set up a SpeakUp programme with the purpose of early transparency by means of speaking up so that ethical wrongdoing can be prevented or detected as early as possible.

FIG. 4



People Intouch offers a platform that offers a safe, anonymous and user- friendly reporting tool for reporting suspected misconduct, so anyone with a concern can speak up without fear of reprisal.

This clear, effective and transparent system to provide remedy will help to ensure that we as a company meet our responsibility to protect workers' rights.

Furthermore, all our suppliers have a responsibility to raise issues that may constitute a breach of our Code of Conduct, including any instance or suspicion of forced labour or modern slavery.

As we develop our work on modern slavery due diligence diligence, we plan to continue developing a more robust evaluation framework including qualitative indicators.

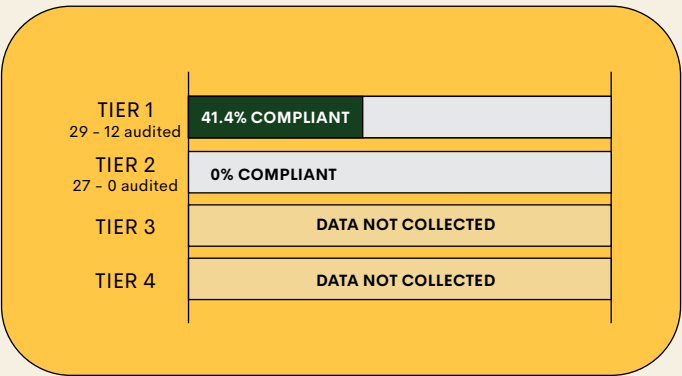
Human rights risk assessment

To manage supply chain human rights due diligence, we rely on the general principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Vendor balanced scorecards

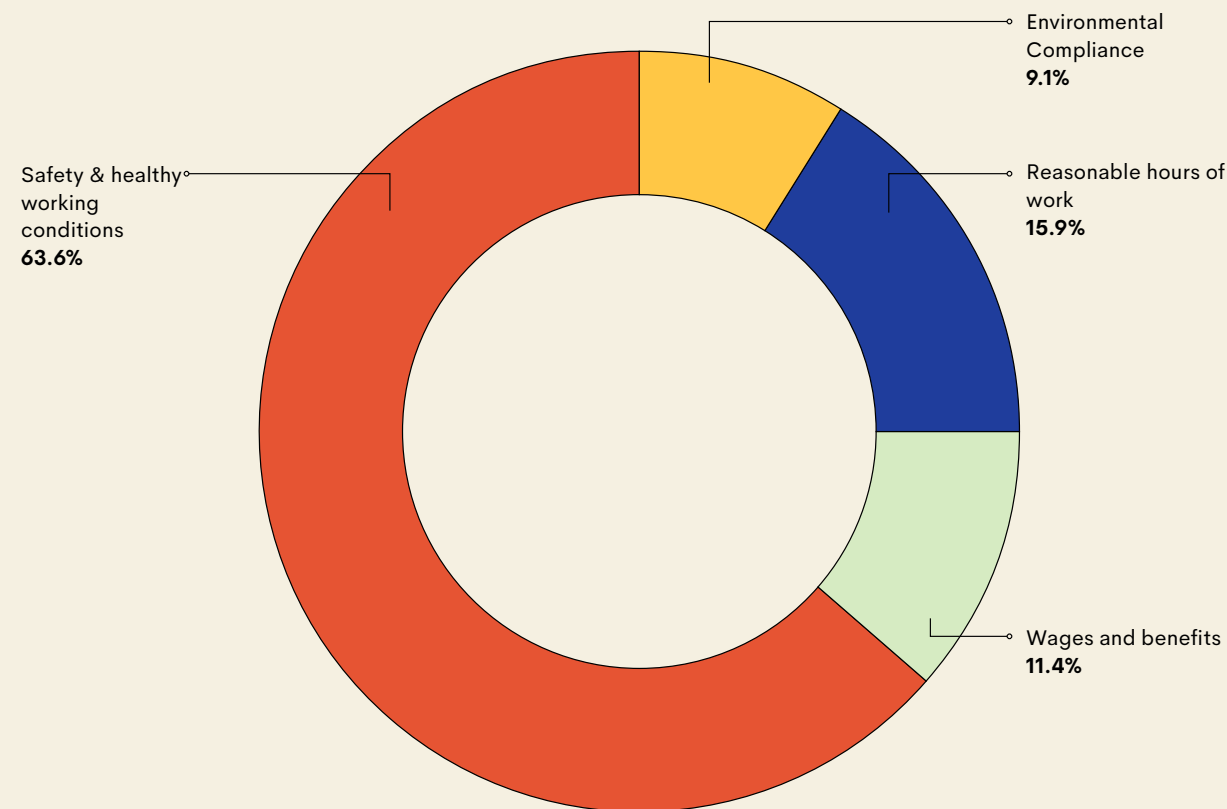
In 2022 we continued working closely with our suppliers to further improve our programs to be sure social and environmental standards are upheld. Vendor balanced scorecards are completed by suppliers annually. In our semi-annual meetings with our suppliers, we assess environmental, social, and governance performance. Using these assessments as a foundation, we collaboratively develop improvement plans across various domains. This includes exploring the feasibility of establishing annual reduction targets for areas like energy consumption and hazardous waste, while also addressing and mitigating any identified issues over time. Through the Vendor balanced scorecards we can understand the challenges of our Tier 1 suppliers and have open dialogues for mutual improvement.

% OF COMPLIANCE PER TIER 2022



Identified risks

Based on audit reports and Vendor balanced scorecards, we aim to understand the non-conformities flagged and work together to remediate these. A frequent topic flagged in 2022 was 'overtime', due to Covid-19, as well as 'Safety and healthy working conditions' both of which were addressed and monitored in partnership with our suppliers. The chart below outlines the risks that have been most prominently identified:



Safe & healthy working conditions

We expect our suppliers to:

- Comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and any specific hazards.
- Observe the principle to respect the right to healthy working and living conditions of supply chain workers and local communities, without prejudice to the specific expectations set out. Vulnerable individuals, such as – but not limited to – young supply chain workers', new and expecting mothers and persons with disabilities, shall receive special protection.

- Ensure adequate occupational medical assistance and related facilities.
- Ensure access to clean sanitary facilities, clean drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas.
- Provide all supply chain workers with regular and recorded health and safety training, such training to be repeated for new or reassigned supply chain workers.
- Provide effective Personal Protective Equipment (PPE) to all supply chain workers, free of charge. The PPE needs to be suitable and appropriate to the type of work, the circumstances and the environment the supply chain worker is operating in, for instance protective clothing and protective gear.

Reasonable working hours

We expect our suppliers to:

- Not require employees to work more than the regular and overtime hours allowed by the law of the country where the employees work. The regular working week shall not exceed 48 hours, or the maximum allowed by the law, whichever is less.
- Allow employees at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.
- Not request their employees to work overtime hours on a regular basis. The sum of regular and overtime hours in a week shall not exceed 60 hours or the maximum allowed by the law of the country where the employees work, whichever is less.

Wages & benefits

We expect our suppliers to:

- Pay wages and benefits for a standard working week, this shall meet, at least a minimum, national legal standards or industry minimum or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income to meet basic needs of the supply chain worker(s) and their families.
- Provide all supply chain workers with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Pay the wages in a timely manner, regularly and fully in legal tender. The level of wages is to reflect the skills and education of the supply chain worker and shall refer to regular working hours.
- Not deduct wages for disciplinary measures nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the supply chain worker concerned. Deductions shall never constitute an amount that will lead the supply chain worker to receive less than the minimum wage. Supply chain workers shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period. All disciplinary measures should be recorded.

Environmental compliance

We expect our suppliers to:

- Maintain written environmental policies and standards which shall comply with all applicable environmental laws and Ace & Tate's Code of Conduct.
- Have an environmental management system (EMS) in place or have an environmental management plan in place. Suppliers must also agree to be monitored and, if applicable, audited by a third party on behalf of Ace & Tate for environmental responsibility.

Looking ahead

We strive to create a positive impact in the community by improving our global supply chain. Modern slavery due diligence is part of our social compliance roadmap, which we review, develop and intend to strengthen on a regular basis. We strongly believe that companies must take responsibility for the influence they have on the people working in their global supply chain.

Looking ahead, our ambition is to track and report on the following:

B Corporation

Being a B Corp since 2021 certifies what's at the heart of our responsibility journey. It means we recognize a problem, understand it and work on it — ensuring we move ourselves and our industry forward.

We believe that Ace & Tate can be a force for good. The recertification process of BCorp, enables us to continue and increase our transparency and explain why we do what we do. It measures and validates our social- and environmental impact of decisions on employees, customers, suppliers, the community and the environment. Our journey towards becoming a certified and recertified B Corp has taught us what to prioritise within our internal roadmap.

**Responsibility
is a marathon,
not a sprint.**

For question regarding our environmental responsibility efforts, please contact:

responsibility@aceandtate.com

ace & tate