

ace & tate

Supplier Code of Conduct

2023

Introduction

Ace & Tate was founded in 2013 with the ambition to shake up the eyewear industry, offering great quality eyewear at transparent prices. Conducting business in an ethical and sustainable manner is one of our core values. We strive to take responsibility for the impact our products and operations have on the planet and the people we work with. Using creativity, innovation and collaboration, we aim to support our mission to reduce our impact and inspire positive change in our industry. Our Supplier Code of Conduct - also referred to as "the Code of Conduct" or "the Code" - expresses these values alongside describing what we consider to be appropriate business conduct by our suppliers and partners.

The Code sets out standards and requirements to make sure that the rights, health, and safety of the workers in our supply chain are ensured, respected and protected throughout the production process of our collections. The standards and requirements are based on the core conventions of the International Labour Organisation (ILO) and the UN Guiding Principles on Business and Human Rights (UNGP).

The provisions of the Code of Conduct contain minimum and not maximum standards. Whenever any applicable law and this Code of Conduct address the same subject, the employer is expected to apply the provision that safeguards the greater protection of supply chain workers and to work in compliance with applicable local laws and regulations on human rights and the environment. International standards are always leading if they are more stringent.

At Ace & Tate, we support our suppliers to meet all aspects of this Code of Conduct in full. Together, we commit to continuous improvement in pursuit of ensuring safe and healthy working conditions to all workers in our supply chain, creating a situation where human rights are protected and respected, and supporting suppliers in their journey to improve their sustainability practices.

Who does this code apply to?

The requirements communicated in this Code apply to the whole supply chain, including suppliers, agents, sub-suppliers, sub-contractors and raw material sources - also referred to as the business partner or employer. The expectations in the Code equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part-time, night, and migrant workers - also referred to as the supply chain worker or employee.

We expect all suppliers to make improvements when any of the Code expectations are not met, and to develop management systems to ensure on-going compliance. Providing proof of correction to us for each non-compliance is required.

Supplier expectations

Legal compliance

All business partners must, in all activities, follow national laws in the countries in which they operate. Should any standard in this Code conflict with the national law in any country or territory, the law must always be followed. In such cases - we expect our partners to contact Ace & Tate prior to signing this Code, in order to jointly establish the most appropriate course of action. In case of difference between the Code and other applicable regulations or standards, the most protective of these will prevail over the other - it is expected the supplier will contact Ace & Tate in case of such.

Zero tolerance

In case of severe violation of the Code and/or severe violation of the internationally recognised labour rights and/or significant damage to the environment, we will contact the supplier within 24 hours of the discovery of the incident to discuss the matter and set up an improvement plan which shall have immediate effect. In addition, we have the right to terminate the Head Agreement with suppliers who repeatedly and knowingly violate the Code and refuse to collaborate with us in implementing improvement plans, as agreed upon in the Head Agreement.

In case of violation of or non-compliance with this Code of Conduct, Ace & Tate will not hesitate to terminate the legal relationship with its business partner in accordance with agreed terms and conditions

Contact

If you have any concerns or if any of these Code elements are violated, please reach out to us via the email address below. Feel free to write in your local language. All information we receive will be kept in strict confidence and your identity will be protected.

responsibility@aceandtate.com

This Code of Conduct is available in the following languages:

- English

The Code of Conduct

Ethics

1. Employment is freely chosen¹

1.1 The employer shall not engage in any form of servitude, forced, bonded, indentured, trafficked, or non-voluntary labour. The employer will risk allegations of complicity if they benefit from the use of such forms of labour.

1.2 The employer is required to monitor any third-party entity which assists them in recruiting and/or hiring employees, to ensure that people seeking employment at their facility are not compelled to work through force, deception, intimidation, coercion or as a punishment for holding or expressing political views. Workers' identity documents shall not be confiscated.

1.3 The employer shall act with special diligence when engaging and recruiting migrant supply chain workers both directly and indirectly. Suppliers are required to share with Ace & Tate the origin of supply chain workers.

1.4 The employer shall allow the supply chain worker(s) the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer. Supply chain workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

1.5 The employer shall ensure that supply chain workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

1.6 All disciplinary procedures must be established in writing and are to be explained verbally to supply chain workers in clear and understandable terms.

¹ILO Convention 29 and 105

2. Freedom of association and the right to collective bargaining are respected²

2.1 All supply chain workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer shall not discriminate against supply chain workers because of trade union membership and/or organisational activities.

2.3 The employer shall respect supply chain workers' right to bargain collectively.

2.4 The employer shall not prevent supply chain workers' representatives from having access to workers in the workplace or from interacting with them.

2.5 Worker representatives shall not be discriminated against and have access to carry out their representative functions in the workplace.

2.6 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

² ILO Convention 11, 87, 98, 135 and 154

3. Working conditions are safe and healthy³

3.1 The employer shall 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.

3.2 The employer shall 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.

3.3 The active cooperation between management and supply chain workers, and/or their representatives is essential to develop and implement systems towards ensuring a safe and healthy work environment. The employer observing the Code of Conduct shall assign responsibility for health and safety to a senior management representative and through the establishment of Occupational Health and Safety Committees.

3.4 The employer shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of supply chain workers. The employer shall take effective measures to prevent supply chain workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimising so far as is reasonable the causes of hazards inherent within the workplace.

3.5 The employer will seek to improve the supply chain workers' protection in case of an accident, including through compulsory insurance schemes.

3.6 The employer shall take all appropriate measures, within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to supply chain workers when these are provided by the employer as well as to protect against any foreseeable emergency. The employer shall respect the supply chain workers' right to exit the premises from imminent danger without seeking permission.

3.7 The employer shall ensure adequate occupational medical assistance and related facilities.

3.8 The employer shall 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.

3.9 The supply chain worker shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned supply chain workers.

3.10 Accommodation, where provided, shall be clean, safe and meet the basic needs of the supply chain workers.

3.11 The employer shall provide effective Personal Protective Equipment (PPE) to all supply chain workers, free of charge. 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, such as gloves and eye and face protection, for when working with chemicals or in hazardous areas.

3.12 No harsh or inhumane treatment shall be used. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.

4. No child labor⁴

4.1 The age of admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (or 14 where the national law allows).

4.2 The employer must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the supply chain worker. This principle aims to protect children from any form of exploitation. Special care is to be taken on the dismissal of children, as they can move into more hazardous employment. In removing children from the workplace, business partners should identify, in a proactive manner, measures to ensure the protection of affected children.

4.3 The employer shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable them to attend and remain in quality education until no longer a child, "child" and "child labour" as defined in 7.1.

4.4 The employer shall take part in the Ace & Tate due diligence policy and confirms and promises to do the utmost to identify, prevent and if necessary, address the issue of child labour in the supply chain. The employer is required to cooperate and be transparent about subcontractors and sub-suppliers and any possible risks within the supply chain to cooperate in combating child labour.

Special protection for young supply chain workers:

4.5 The employer shall not employ children and young person's – under the age of 18 – at night or in hazardous conditions and shall not perform work that is, by nature or the circumstances in which it is carried out, likely to harm their health, safety or morals. Procedures shall conform to the provisions of the relevant ILO standards.

³ ILO Convention 155

⁴ ILO Conventions 10, 79, 138, 142 and 182 and ILO Recommendation 146

5. Living wages are paid⁵

5.1 Wages and benefits paid for a standard working week shall meet or exceed 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. In cases where the existing compensation falls short of fulfilling workers' basic needs and allowing for discretionary income, we expect each supplier to collaborate with Ace & Tate to take appropriate measures aimed at progressively achieving a level of compensation that aligns with international labour standards.

Ace & Tate actively pursues and favours suppliers that consistently elevate the well-being of their employees by enhancing their wage systems, benefits packages, welfare initiatives, and additional services that surpass legal mandates, all of which contribute to an enhanced quality of life.

5.2 The employer shall 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.

5.3 The employer shall 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.

5.4 Deductions from wages for disciplinary measures shall not be permitted 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.

5.5 The employer shall calculate the wage gap between the calculated living wage and paid wage by the employer to Ace & Tate upon request.

⁵ ILO Conventions 26 and 131

6. Working hours are not excessive⁶

6.1 Working hours shall not be excessive and must comply with national laws, collective agreements, and the provisions below, whichever affords the greater protection for the supply chain worker.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

6.4 The total hours worked in any seven-day period shall not exceed 60 hours.

6.5 All overtime shall be voluntary. The use of overtime is meant to be exceptional, paid at a premium rate of no less than 125% the regular rate and shall not represent a significantly higher likelihood of occupational hazards

Overtime shall be used responsibly, considering the following: the extent, frequency and hours worked by the individual supply chain workers and the workforce as a whole. It shall not be used to replace regular employment.

6.6 The supply chain worker shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

7. No discrimination is practised & equal rights are given to all⁷

7.1 The employer shall not discriminate, exclude or have a certain preference for persons in hiring, compensation, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination.

7.2 Supply chain workers shall not be harassed or disciplined on any of the grounds listed above.

7.3 There shall be no sexual harassment and sexual and gender-based violence at the workplace.

7.4 The employer shall adopt a zero-tolerance policy on sexual and gender-based violence including strict measures against sexual harassment in its operations.

⁶ ILO Conventions 1 and 14 and ILO Recommendation 116

International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

⁷ ILO Conventions 100, 111, 143, 158, 159, 169, 183 and 190

8. Regular employment is provided

8.1 To every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice. There shall be no precarious employment.

8.2 Obligations to supply chain workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

8.3 The employer must ensure that their employment relationships do not cause insecurity and social or economic vulnerability for the supply chain workers.

8.4 Work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

8.5 Before entering into employment, the employer shall provide supply chain worker(s) with understandable information about their rights, the ethical labour principles, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

8.6 The employer should aim at providing decent working conditions that also support supply chain worker(s), both women and men, in their roles as parents or caregivers, especially with regards to migrant and seasonal supply chain workers whose children may be left in the migrants' hometowns.

8.7 The employer shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes but is not limited to

- A) Apprenticeship schemes where there is no intent to impart skills or provide regular employment;
- B) Seasonality or contingency work when used to undermine supply chain workers' protection; and
- C) Labour-only contracting.

Furthermore, the use of sub-contracting may not serve to undermine the rights of supply chain workers.

Special protection for home workers⁹

8.8 The employer shall monitor home workers, if applicable, and aspire to achieve equal treatment of home workers in accordance with the ILO Conventions. The employer shall commit to ensure safe and healthy working conditions to all home workers in their supply chain to guarantee human rights are protected and respected by following the policy on home workers.

8.9 The employer must ensure transparency regarding the presence of home workers within their supply chain and notify Ace & Tate whenever home based workers are part of the supply chain.

9. No Corruption⁹

9.1 The employer and supply chain worker shall not be involved in any act of corruption, extortion or embezzlement, nor in any form of bribery, including but not limited to the promising, offering, giving or accepting of any improper monetary or other incentive.

9.2 The employer is expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

The employer should not participate in misrepresenting their activities, structure or performance within its supply chain.

9.3 The employer should collect, use and otherwise process personal information (including that from the supply chain workers(s), business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

⁹ ILO Convention 177

10. Access to remedy

10.1 The employer shall provide a functioning, accessible and effective grievance procedure in place that allows all supply chain workers to raise and address workplace grievances, without fear of reprisal, designed based on the principle of access to remedy.

10.2 All supply chain workers and their representatives shall have access to effective remedy, without any discrimination.

10.3 The employer shall include a number of forms of grievance mechanisms, through:

- A) Presence of committees constituted between supply chain workers and management, and/or
- B) Suggestion box(es) or hotlines, and
- C) Ace & Tate SpeakUp sheet in the local language.

10.4 The employer is obliged to hang the SpeakUp sheet inside the workplace at various accessible positions, e.g. at the entrance of every site, administration board, canteen area, accessible to all supply chain workers entering the sites, but out of management's view.

10.5 The grievance mechanism(s) must be actively and clearly communicated to all supply chain workers at the time of recruitment.

10.6 The grievance procedure must involve the – if present – worker representative(s), supervisor, committee, and an appropriate level of management.

10.7 The employer must address supply chain workers' concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned.

10.8 The grievance procedure must not be used to undermine the role of trade unions and collective bargaining processes and must not impede access to other existing judicial, arbitration or administrative procedures.

11. Transparency & Traceability

11.1 Subcontracting (i.e. involving a third party for the supply of order) without prior written approval by Ace & Tate shall never take place. All sample and production orders must be placed within facilities that have been pre-approved by Ace & Tate through the screening process.

11.2 We expect our suppliers to acknowledge and own in on their social and environmental responsibility. We and our suppliers are therefore both working towards having full transparency and traceability into all levels of the supply chain, from finished product to origin of the raw material. We require suppliers to provide transparency information into the owned and/or subcontracted factories and other sites that are involved in the production of our products.

11.3 Ace & Tate reserves the right to make unannounced visits to all production locations at any time.

Environment

Environmental Policies

Suppliers shall maintain written environmental policies and standards and must comply with all applicable environmental laws and our Code. Suppliers are encouraged to have an environmental management system (EMS) or an environmental management plan in place. Suppliers must also agree to be monitored and if applicable audited separately for environmental responsibility.

Suppliers shall continuously monitor, and annually disclose their:

- **Carbon footprint CO₂—equivalents**, measuring the release of carbon dioxide emissions into the atmosphere (emission),
- **Toxicity**, measuring the release of toxic emissions (emission),
- **Phosphate**, the standard metric of eutrophication, measuring the impact on biological systems (emission),
- **Usage of non-renewable resources** (such as oil), measuring how we impact resource scarcity for future generations (extraction),
- **Water usage**, measuring the impact on water scarcity (extraction),
- **Amount of waste**, measuring different types of waste in KGs.

Suppliers shall take a progressive approach to minimise negative impacts on the environment. Suppliers shall follow up on this Code, together with Ace & Tate, in order to set goals accordingly. Suppliers shall share with Ace & Tate in a timely manner the requested Product Carbon Footprint (PCF) emissions. This data collection (facility data, raw materials, production process i.a.), will allow Ace & Tate, to calculate emissions from the product lifecycle based on the defined system boundary.

Restricted Chemicals

Products sold by Ace & Tate should always be safe to use for our customers and should comply with all the rules and regulations applicable to our products and markets. REACH compliance is mandatory on products produced in or shipped into the European Union (EU) and member countries. All suppliers must sign and adhere to our Restricted Substance List (RSL) which is based on the European Chemical Legislation REACH Standard with a higher level of requirement. We perform assessments and laboratory tests of our products to monitor compliance and work together with our Suppliers on the proper use of chemicals.

Monitoring

Compliance

In addition to adhering to the Code, suppliers are expected to implement management systems to ensure compliance with this Code and to proactively extend these principles throughout their supply chain - cascading the code of conduct down the supply chain.

We expect our business partners to have one of the following international standards or their equivalents in place for each pillar: Ethics, Environment, and Quality.

- **Ethics:** SA8000, SMETA, SLCP, amfori BSCI, WRAP or QIMA Ethical
- **Environment:** Environmental Management System (ISO14001)
- **Quality:** "Quality Management System" (ISO9001/ISO13485)

These audits and certifications are only valid if there is an audit report and corrective action plan in place. The audit or certification should not have taken place more than 12 months ago. When initiating or continuing business with Ace & Tate, the audit or certification must be renewed annually.

We aim to establish long-term partnerships with all business partners, based on consistency, quality, processes, impact (ethics and environment) and mutual core values.

Declaration

By signing this Code of Conduct, the undersigned hereby confirms that it:

- Has read the Code of Conduct and that it has full knowledge of all relevant laws in the countries in which it operates;
- Will inform the Ace & Tate Responsibility department in a timely manner about any non-compliances and possible adverse impacts involved in its shared supply chain;
- Will print the Code of Conduct and the SpeakUp sheet in the nominated local language and will be posted next to each other within the site in a conspicuous, freely accessible area e.g. at the entrance of the site - accessible to all supply chain workers; and
- Will duly complete the required information on this declaration and return a copy of the signed Code of Conduct to Ace & Tate within 4 weeks after receipt.

We acknowledge receipt of the Ace & Tate Code of Conduct. We confirm that we have read and that we understand the Code and will actively strive to ensure that its standards are met in our production sites and other facilities.

Company name:

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Place of registration:

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Legal address:

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Country:

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SIGNATURE:

Signature date:

Name:

Title:

ALL PRINCIPLES ARE SUBJECT TO AN ANNUAL REVIEW

ace & tate