

ace & tate

Modern Slavery Act



2021

Table of contents

Introduction	03
Modern Slavery & Our responsibility	05
Our policies	
Legal compliance	
Governance	
Supply chain mapping	
Human rights & supplier audits	
Identified risks & Steps taken	11
Reasonable working hours & legal overtime compensation	
Salaries and working hours	
Looking ahead	13
B Corporation	
Staff training	
Grievance mechanisms	

Introduction

Dear reader,

Ace & Tate was founded with a mission to shake up the eyewear industry by selling quality eyewear at transparent prices. At Ace & Tate, we like to keep it simple. We only work with factories that share our values of quality and integrity. It's quite simple: if the factory ain't right, it ain't for us.

It's our ambition to become an engine for positive change in our industry and the only way we can do this is by being transparent about what we're doing well already and what we've still got to work on. Our aim is to inspire other companies to join us and we hope being open about the process will make it easier for the industry to step it up with us.

Our 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.

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 up to 2021 and intentions for 2021.

Introduction

We acknowledge that our biggest challenges regarding modern slavery lay with our indirect manufacturers and suppliers. It is therefore vital that we map out and understand our global supply chain. We are therefore putting a larger focus on improving supply chain transparency and product traceability.

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.

Ace & Tate's experiences have taught us that real engagement on the ground leads to effective change. The environment matters and the people we work with should all have access to safe and responsible working conditions. These issues affect and connect us all.



Marlot Kiveron
Responsibility Manager,
Ace & Tate



Sarah Mozes
Supply Chain Director,
Ace & Tate



Mark De Lange
CEO & Founder,
Ace & Tate

Modern Slavery and Our responsibility



OUR POLICIES

Ace & Tate has throughout the last year developed a set of social and environmentally responsible related policies and standards to all of our direct manufacturers, suppliers and business partners.

General Purchase Terms and Conditions

Ace & Tate's General Purchase Terms and Conditions guide our manufacturers and suppliers to support them and comply with our Supplier Code of Conduct on a more detailed level. We are constantly learning and implementing new policies in line with the key risks and needs of our business. Subcontracting is explicitly mentioned in our General Purchase Terms and Conditions explaining that we do not allow this without our prior written approval. 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.

Supplier Code of Conduct

In addition to the General Purchase Terms and Conditions, we have the Supplier Code of Conduct (the '**Code**'). The Code describes our corporate responsibility and expectations of our suppliers in terms of social compliance, such as health & safety, no child labour, fair wages and overtime restriction. All our direct manufacturers, suppliers and other business partners share our values and are required to read and sign our Code and all standalone policies when entering a business relationship with Ace & Tate. By signing, they confirm their understanding of the Code and they guarantee to comply with the terms of this document. The Code is based on the 10 UN Guiding Principles and the International Labour Organisation (ILO).

Modern Slavery and Our responsibility

Dutch Child Labour Due Diligence Act Statement

Ace & Tate's Child Labour Due Diligence Act Statement was published on 1 January 2020. It describes our corporate responsibility, to make sure our suppliers conduct business in an ethical, legal and socially responsible manner in order to maintain a global supply chain that is completely free from child labour. We have a zero tolerance policy regarding child labour and if it was ever discovered in our supply chain, we would take immediate action with the supplier to eliminate this.

Modern Slavery Act Statement

Ace & Tate's Modern Slavery Act Statement for Suppliers and Internal Staff has been developed by our Responsibility Team and Buying Team, with the help of universally recognised standards by the Ethical Training Initiative framework. The Statement is not only to set standards but also includes guidance to take action if a case of modern slavery is identified, for example through a Corrective Action Plan (as further explained on page 6).



Modern Slavery and Our responsibility

LEGAL COMPLIANCE

Next to our General Purchasing Terms and Conditions, our Code, our Dutch Child Labour Due Diligence Act Statement and our Modern Slavery Act Statement, We expect our suppliers to respect all applicable laws, regulations and prevailing industry standards.

Our suppliers should address any conflicts between our General Purchase Terms and Conditions, our Code, our Dutch Child Labour Due Diligence Act Statement and our 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 and Modern Slavery Act Statement is different from national laws and/or other applicable regulations or standards, the most protective of these will prevail.

GOVERNANCE

Ace & Tate’s final decision in regards to social sustainability sits with our CEO, CFO and our Board of Directors. The responsibility for implementing and maintaining these practices on a daily basis lies with our Responsibility Team and Buying Team.

Social sustainability covers all areas of managing what our impact (both positive and negative) as a business has on people, including ethical trade, human rights and conducting business responsibly.



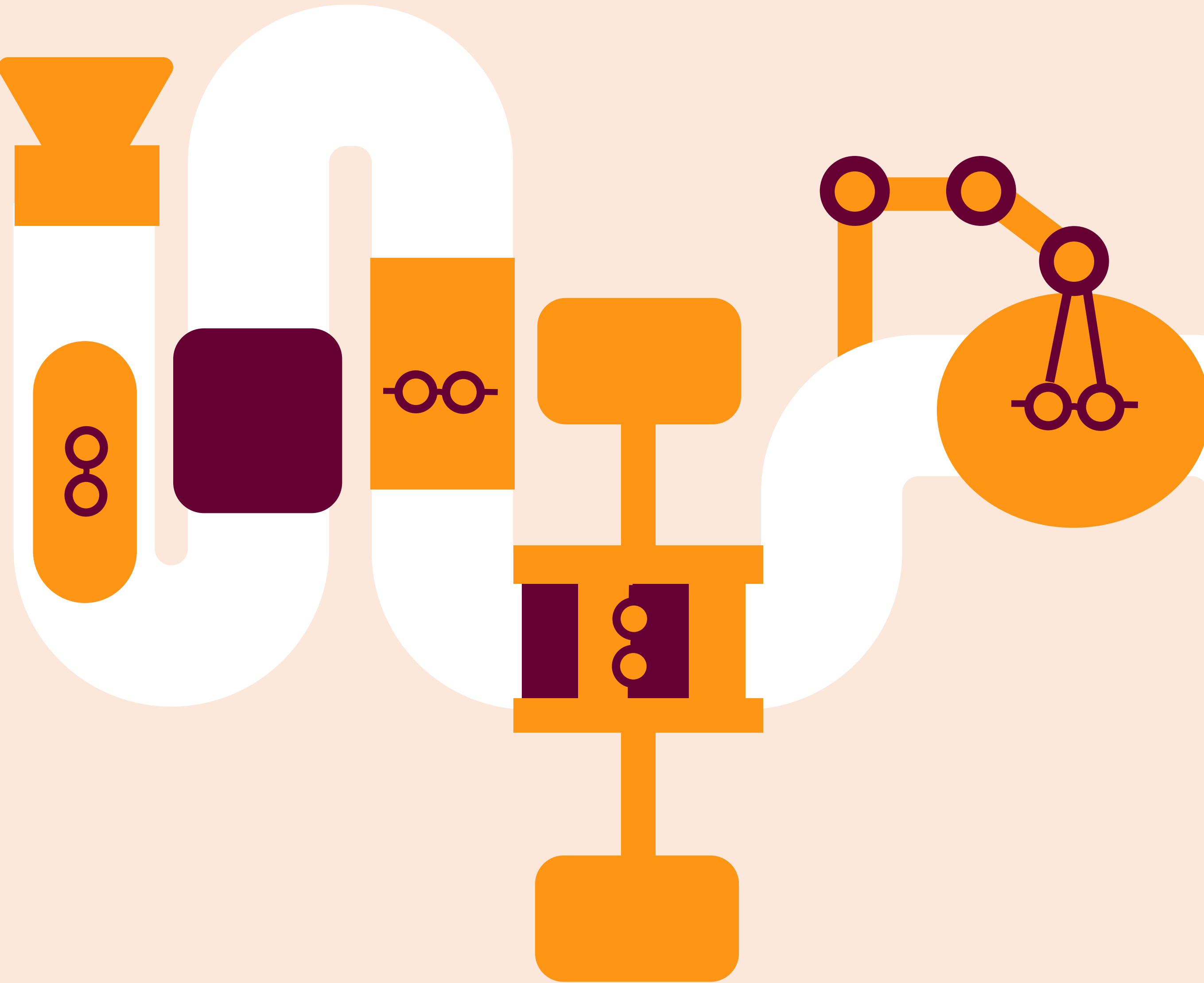
Modern Slavery and Our responsibility

SUPPLY CHAIN MAPPING

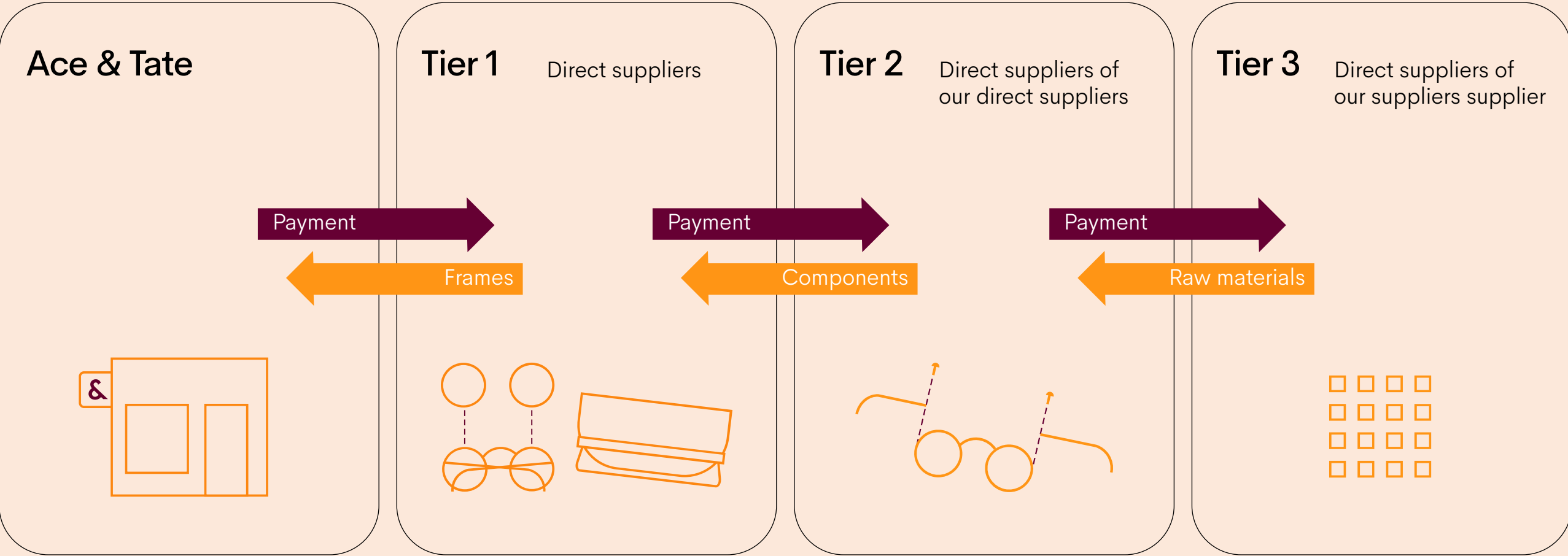
Our product and global supply chain are at the core of what we do – high-quality eyewear for a transparent price. We only work with suppliers that share our values of quality and integrity. It's quite simple: if the factory ain't right, it ain't for us.

We are therefore putting focus on improving supply chain transparency and product traceability. We have mapped and monitored all of our direct suppliers. By the end of 2020 all of our tier 1 and 2 suppliers will comply with our Code.

We acknowledge that our biggest challenges regarding modern slavery and forced labour lay within our indirect suppliers, highlighting the importance and value of mapping and studying our global supply chain.



Modern Slavery and Our responsibility



	Tier 1	Tier 2	Tier 3
Definition	Direct suppliers (Paid by Ace & Tate)	Direct suppliers of our direct suppliers (paid by tier 1 suppliers)	Direct suppliers of our suppliers supplier (paid by tier 2 suppliers)
Example	Lens supplier Fulfilment centre Forwarder Frame manufacturer Packaging (case & cloth)	Forwarding companies Component supplier (acetate & hardware) Lenses (demo lenses) Hardware (hinge & screw) Nose pad	Raw material supplier (acetate granules)
Visibility	We have a complete overview of all suppliers.	We have a complete overview of all of our direct suppliers of our direct suppliers.	We have mapped our raw material suppliers.
Actions	Our policy requires all suppliers to be assessed and approved before conducting any type of business. All suppliers are monitored on a regular basis.	Our goal for 2020 is to get all all of our Tier 2 suppliers to sign our Code.	We have mapped our raw material suppliers.

Modern Slavery and Our responsibility

HUMAN RIGHTS & SUPPLIER AUDITS

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 each of them must meet including proof of social practices. We expect our long-term suppliers to comply with our ethical standards and optimise their management systems in order to sustain a long-term relationship.

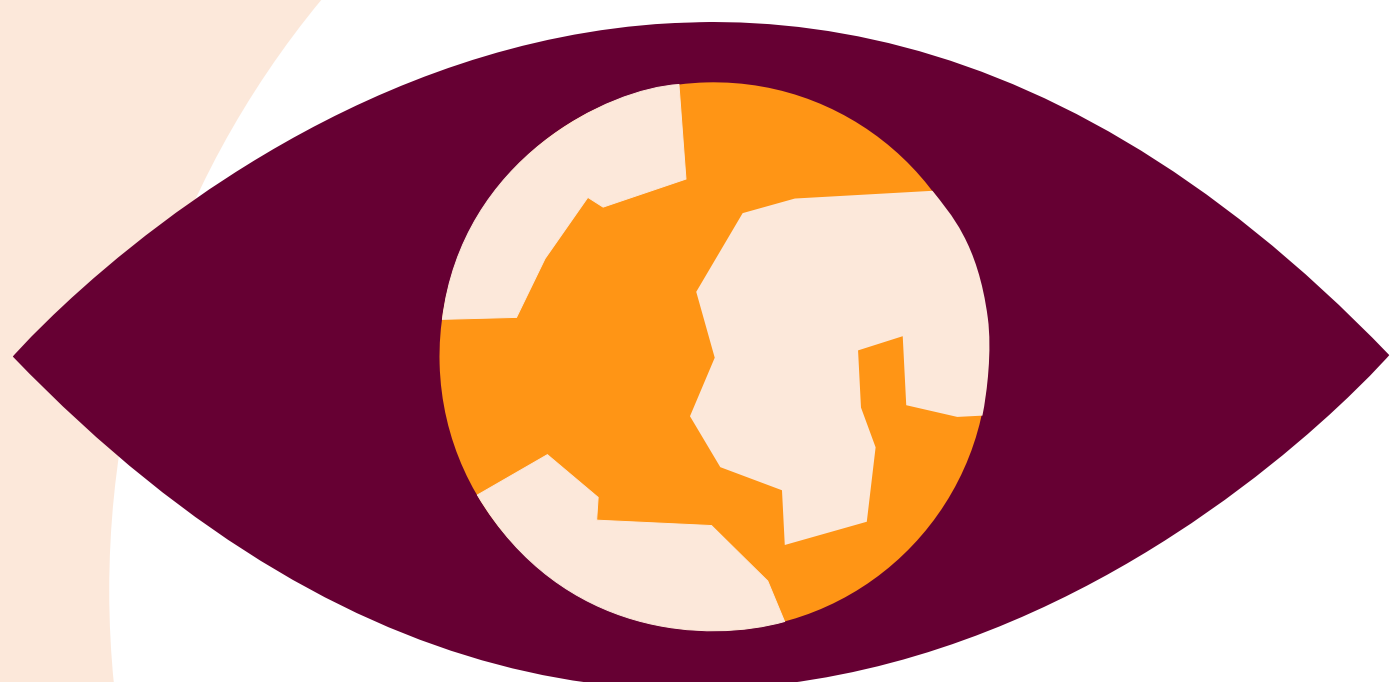
We also expect our long-term suppliers to be open to achieving any other international standard certifications or audits. We request our suppliers to always be open and transparent so we can assess whether they respect our values or not. The process of such an assessment may consist of an initial collection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

This is followed by a Corrective Action Plan ('CAP') that we set up together with our suppliers for further improvement.

In cases where our product suppliers find it difficult to work through the CAP identified by audits, 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.

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

Even though audits are not our only tool and we're not solely reliant on them, we believe audits are a great way to improve our supply chain practices. We believe that they help us ensure better working conditions, responsible practices, consistency and continuous improvement.



Identified risks and Steps taken

REASONABLE WORKING HOURS

Suppliers shall:

- › 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 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.

Aspects related to payment of overtime wages will be governed by the following:

- › **ILO Convention 1 | A Landmark for Worker’s Rights**
- › **ILO Convention 30 | Hours of Work (Commerce and Offices)**

If there is a difference between our Code and national laws and/or other applicable regulations or standards, the most protective of these will prevail.

The ethical audit at the beginning of 2019 showed that as a result of the fast track growth of Ace & Tate, our suppliers are trying to keep up with our demand by increasing capacity. In the long run this means adding production lines and hiring more workers, but as a short term solution, they tried to meet our demand by increasing overtime hours outside of our requirements and local law.

Through a CAP we took the following actions that we still keep an eye on:

- 1 Set up a call with our manufacturer and convey our disapproval of the short term solution to increase capacity by exceeding the max, legal amount of overtime hours per worker.
- 2 Provide workers with time-cards on a monthly basis to track the overtime hours made per worker.
- 3 Decrease our demand and re-prioritise production together with our suppliers to release the immediate need for increased capacity.
- 4 The communication has since then been more open and transparent with our suppliers. The decrease of demand and pressure has resulted in reasonable (non-exceeding the max. legal amount) overtime hours.
- 5 This is monitored by regular conducted on-site Ethical Audits.

Identified risks and Steps taken

LEGAL OVERTIME COMPENSATION

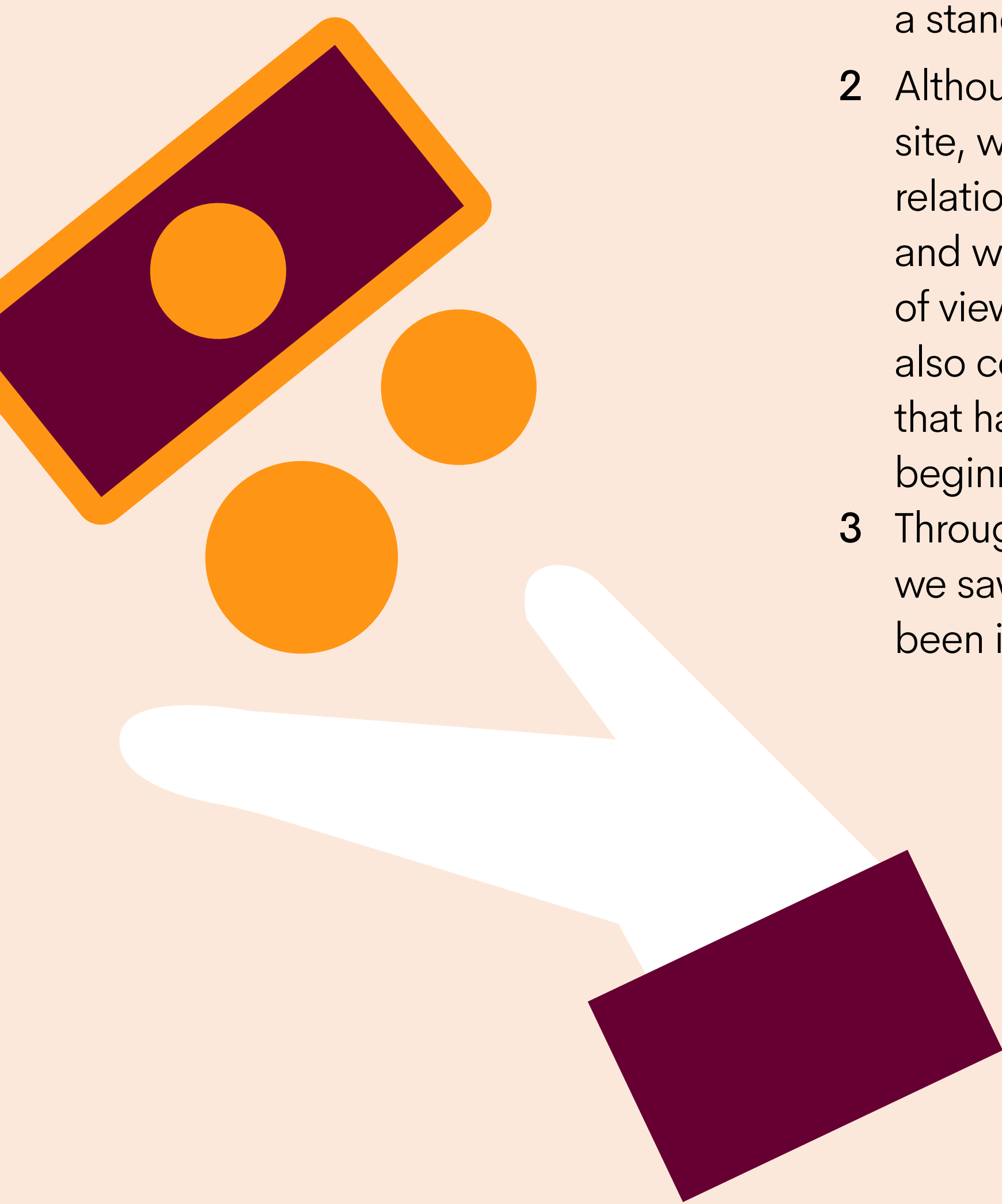
In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125%.

Aspects related to working hours will be governed by the ILO Conventions 1 | A Landmark for Worker's Rights.

At the beginning of 2020, we conducted our first Ethical Audit at a new factory site where we found that the minimum wage for this country was not set for our sector. As our products qualify as medical devices, but we are also considered a life-style brand, we wanted to make sure that the workers who make our products are compensated fairly. We therefore set the minimum wage for garment and footwear industry as a standard.

Through a CAP we took the following actions:

- 1 Set up a call with our manufacturer and convey our belief and wish for a standard.
- 2 Although this was a new factory site, we had a long-standing work relationship with the manufacturer and were able to share our points of view. They met our set standard, also compensating for the months that had already passed at the beginning of 2020.
- 3 Through monthly payment slips, we saw that the new standard had been implemented properly.



Looking ahead

WE CONSIDER THE JOURNEY TO RESPONSIBILITY A MARATHON, NOT A SPRINT.

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

We believe that Ace & Tate can be a force for good. Becoming a certified B Corp enables us to be transparent 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 B Corp has taught us what to prioritise within our internal roadmap.



Looking ahead

This has resulted in the following priority list:

ASSESSING AND MONITORING

Strengthen our ways of assessing our suppliers through Vendor Scorecards that take Social Accountability points into account.

STAFF TRAINING

Ace & Tate will develop a staff training on human rights due diligence based on the United Nations Guiding Principles. This will be carried out by our Responsibility and Supply Chain team. Key members of Ace & Tate’s Supply Chain, Retail Expansion, Development and Design team will participate in this training. In addition, the teams will receive guidance on the Modern Slavery Act Statement and training on the risks of modern slavery within our supply chain.

SOCIAL GRIEVANCE MECHANISMS

We want to increase our support of worker’s voices by implementing social grievance mechanisms for all our direct suppliers. All our partners have a responsibility to raise issues that may constitute a breach of our Code including any instance or suspicion of forced labour or modern slavery.

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

Responsibility is a marathon, not a sprint.



For questions regarding our
environmental responsibility
efforts, please contact:

responsibility@aceandtate.com