

Our 2021 Responsibility Report

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1. Introduction

**Born in 2013,
in Amsterdam**

**Headquarters, also
in Amsterdam**

**Our collections count 5 new
custom designed colours and
10 new styles each season**

**We're a team of 137 at
the HQ end 2021 and
470 retail employees**

Just like last year, our ambition for this report is to be radically honest about what we did or didn't do in the past months. This time around, however, we also want to go one step further. We want to move away from only pointing out: lift the veil on our efforts and be upfront about the challenges we, and our industry, face. Share what we've accomplished and what we're working on, but also where we're struggling and falling short. Show we're building on everything we've done so far, and getting ahead.

**Opened 8 stores
in 2021, and counting
82 stores today**

**We work with
7 main manufacturers,
located in 3 countries**

**and 2 production partners in
Hungary and the Netherlands**

2. Looking back at 2021

Here's an overview of our biggest 2021 achievements

January 2021

– Handed in B Corp assessment for financial year 2020

February 2021

– Started communicating carbon footprint on each of our product specification pages

March 2021

– Launched our new Spring Summer Collection, made from 69.0% bio, 3.6% recycled, 27.4% virgin acetate

April 2021

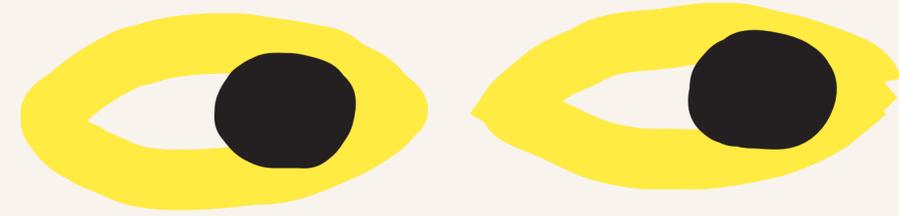
– In October 2020, we kicked off the formal discussions regarding an A&T DE&I strategy, creating an initial action plan and establishing core values. In early 2021, A&T engaged an external advisor (Marian Spier) to conduct qualitative and quantitative research to build and implement this strategy.

May 2021

– Kicked off a 1-year partnership with the Delft University of Technology to revisit Re-frame, our dormant circular initiative

June 2021

– Implemented Adyen Giving in our stores as an extension of our partnership with Trees for All, helping plant exactly 7,205 trees



July 2021

- Introduced our deadstock Misfits collection
- Received official BCorp – certification
- Launched All Eyes on Pride, a talk series by 3 inspiring voices of the LGBTQI+ community

August 2021

- Welcomed our vice president of People, who'll oversee the development of our new People Strategy

September 2021

- Published our first Responsibility Report as a B Corp, for financial year 2020
- Launched our Autumn Winter collection, reaching 80.9% bio, 2.7% recycled, 16.4% virgin acetate

October 2021

- Recycled 1,200 kg of demo lenses in partnership with E.U. initiative Reflow, avoiding them going to waste

November 2021

- Launched a new Responsible Sourcing and Procurement Policy
- Achieved 77% visibility of our Tier 2 eyewear suppliers and their operations
- Volunteered at the Voedselbanken as a team
- Started replacing conventional acetate with Acetate Renew, made of bio-based cellulose

December 2021

- Kicked-off quarterly compilation of HQ and stores' utilities data to increase the accuracy of our footprint estimates

A note on becoming a B Corp

We became a B Corp in 2021, and are very proud to be.

It certifies what has been at the heart of Ace & Tate's responsibility journey. An open, practical and proactive approach to what needs to be fixed. External or our own, we recognize a problem, understand it, work on it — ensuring we move ourselves and our industry forward. Head to chapter 7 to read more on our B Corp engagement.

"The bar was raised high after our B Corp certification and in some areas, we still have a fair bit of ground to cover to make sure we can keep it up. The overall process has taught me the importance of accountability and close collaboration as no team, and no business, can solve sustainability challenges all on its own."

Femme, Ace & Tate's Responsibility Manager



3. Our responsibility mission



Our responsibility mission

**We're committed to being a more
responsible business, everyday**

— and with this commitment comes a first responsibility: to be radically honest.

That means saying things as they are, even when they don't put us in a comfortable spot. We make glasses, have physical stores and run a global supply chain. These are our building blocks. But also, our most important responsibility hurdles.

It goes without saying that only stating the truth won't take us very far. **Our first responsibility leads us to a second one: to understand.** Because we can't solve problems we don't comprehend. We commit to putting the necessary amount of thinking and resources into understanding the impact of our business – both good and bad – in order to do and be better.

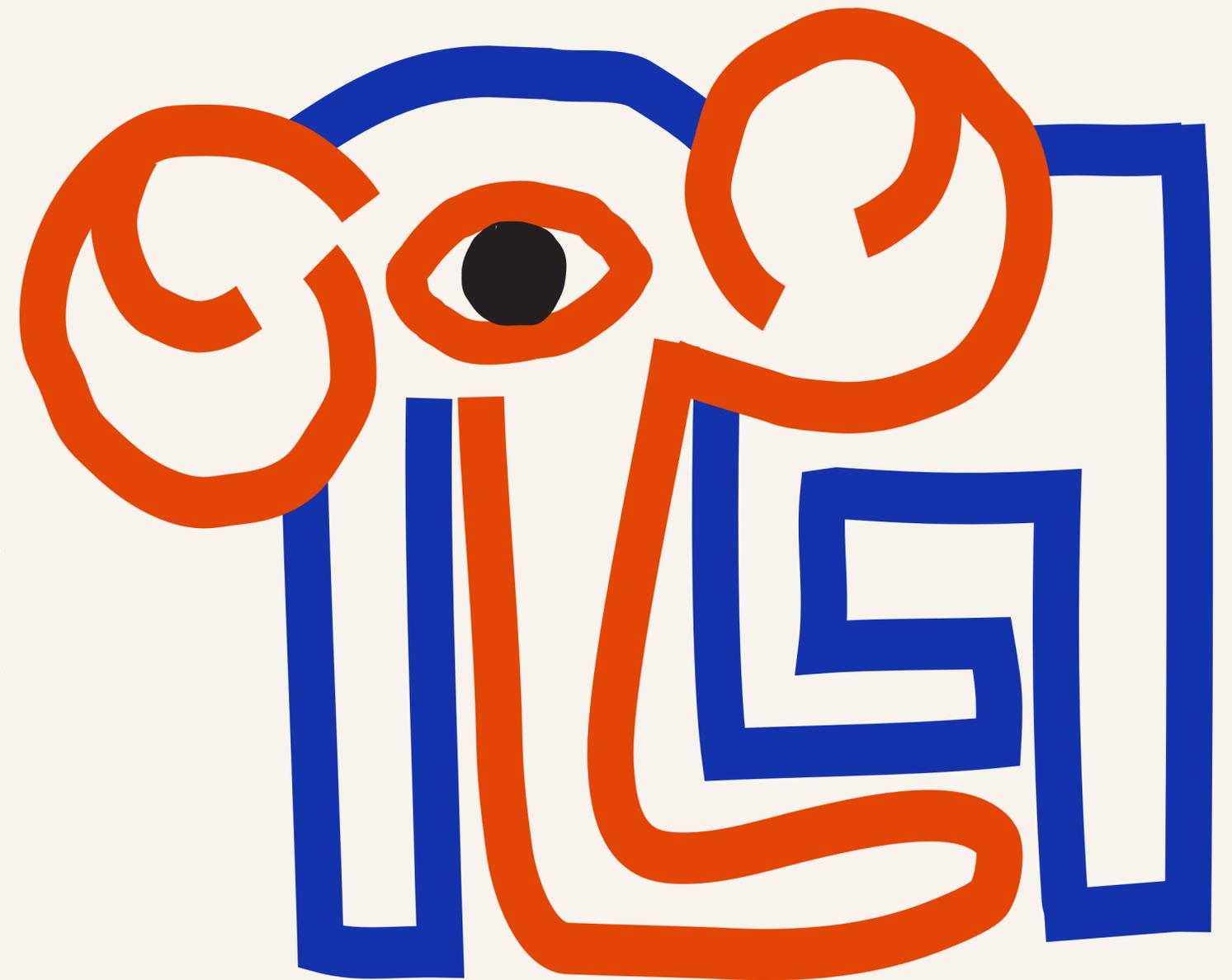
A strong grasp of our impact will enable us to bring considered solutions to the hurdles we identify, and will identify in the future. Because unquestionably, **our third responsibility is to take pertinent action.** For people, the planet and our company. And for the long run.

Our responsibility hurdles

— and what we're doing about them

To be quite blunt, the very features that have made for our success up until now are also our biggest sources of impact. We've called them our 'elephants in the room'. They are our guardrails: they help us structure our thoughts and efforts, and steer our responsibility strategy. We won't reform them overnight, nor all by ourselves.

We're aware of that — and that's fine also,
as long as we steer our responsibility strategy forward.



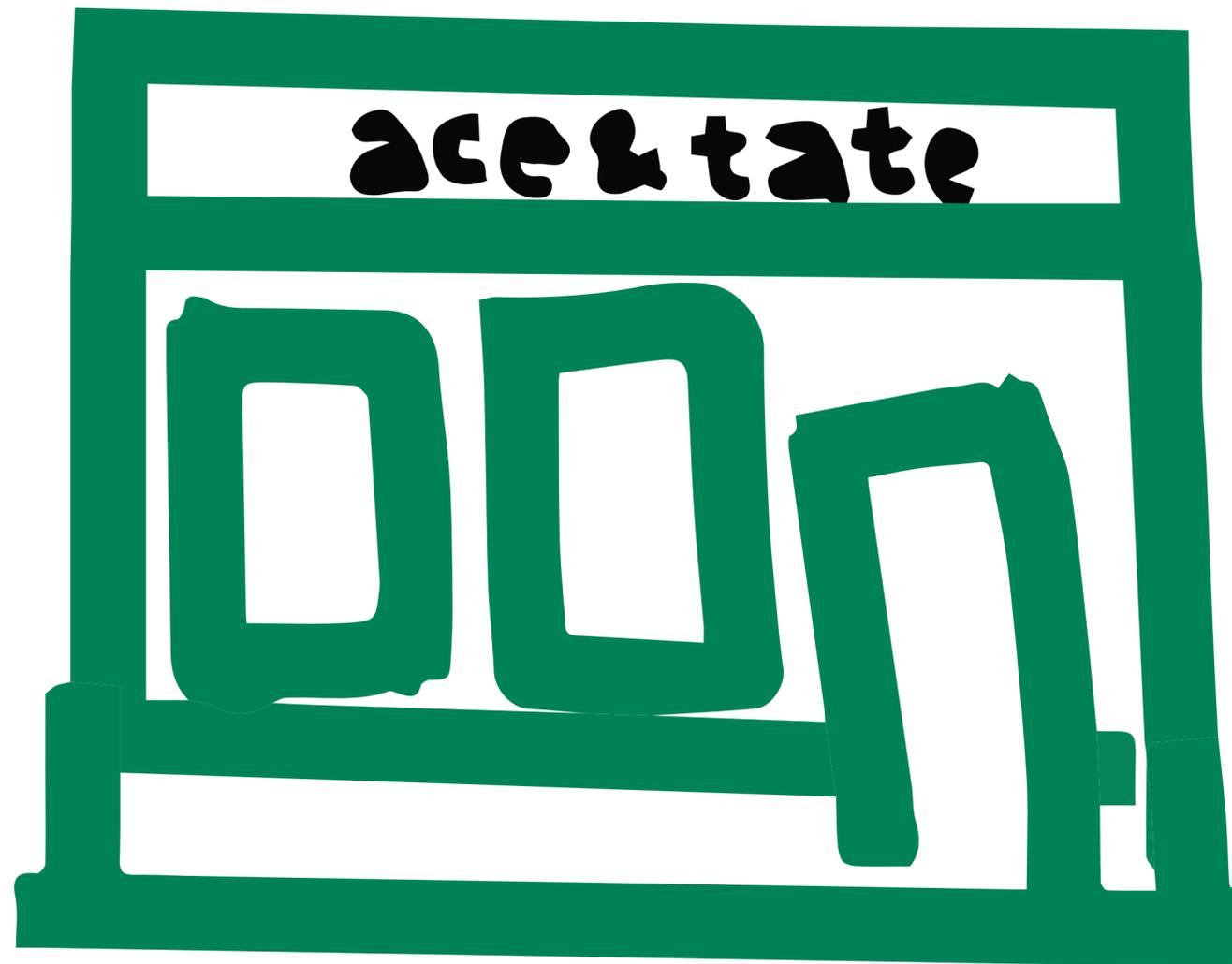
We make a physical product



The largest elephant in the room. We make a product – and with a product comes a life cycle, which means impact at each stage. We're taking it upon ourselves to assess and reduce our product's impact, from raw-material extraction to packaging and transport, retail and end-of-life, but also business travel and employee commute.

We have brick-and-mortar stores

Another big elephant. We're a brick-and-mortar retailer. We have over 80 stores across Europe, and more in the making. That equals electricity, water, gas. Renovations, deconstruction, reconstruction. Materials, transport, and waste. We're digging into our operational footprint, and working on keeping it low — by means of renewable energies, low-impact materials, and efficient waste management solutions.



A large, stylized silhouette of an elephant's head and trunk, rendered in shades of green and orange, frames the central text.

We run a global business

And a third elephantidae. It's a big one. Our supply chain is spread across the world and therefore our people are too. We've got a HQ in Amsterdam, partner with manufacturers in Italy and suppliers in East Asia. That means we work with many stakeholders, not always within sight. We're continuously learning what it entails to be a responsible global company, and how to become a better one, for both the individual and community.

You'll find what we're doing about these elephants in the pages to come.

How we've made it until here



Driving change takes a village, and not only our own. To give us a framework, narrow our focus and set impact-driven objectives that make sense for our business, we align with the guidance received from the following recognized frameworks:

B Corp*

UN's Sustainable Development Goals (SDGs)*

Science Based Targets initiative (SBTi)*

International Labour Organisation (ILO)*

The UN Guiding Principles on Business and Human Rights (UNGPs)*

4. Our 2021 responsibility scorecard



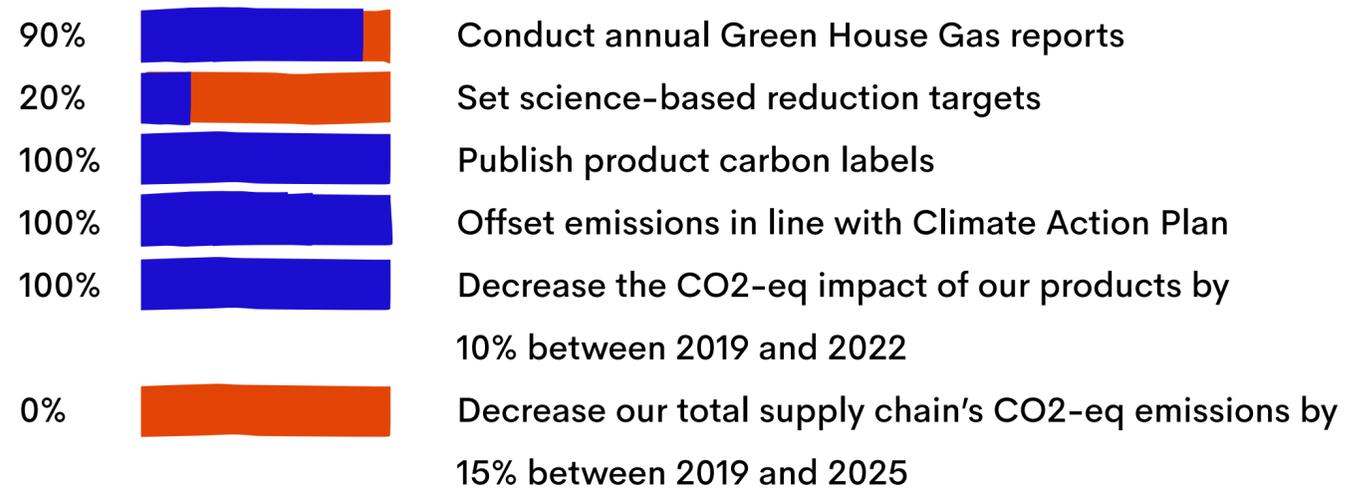
At the start of 2021, we had set ambitious goals for Responsibility at Ace & Tate.

Below is an overview of our progress in the last year. We've made it a point, in this report, to be as specific as possible about our impact and share quantified results when we could.

To make these as digestible as possible for you, we've developed a 'progress %' for each of our goals, which represents our score for the year against a specific target. Some of these are set on a year-basis, others go up to 10 years, others are running. There's work ahead.

We make a physical product

1) Reducing our total carbon emissions



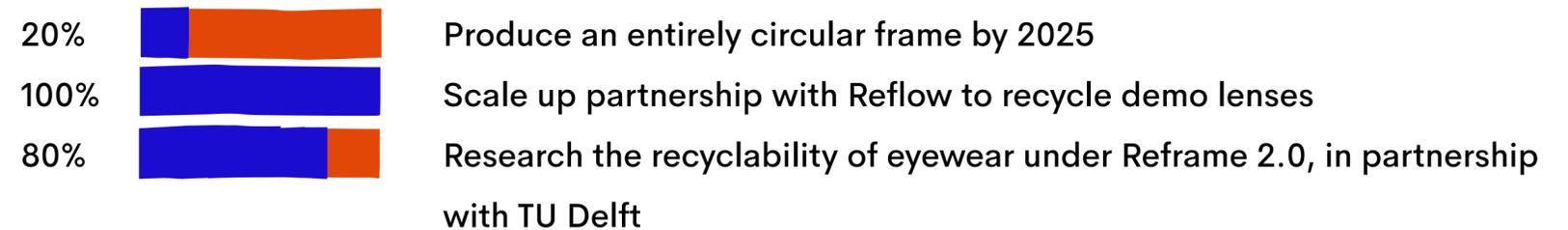
2) Aiming for best-quality



3) Sourcing & producing responsibly

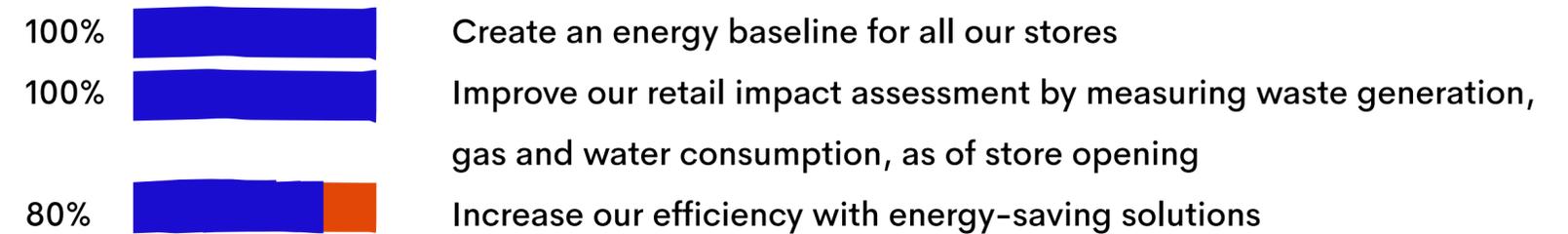


4) Exploring circularity and innovation



We have brick-and-mortar stores

1) Minimising the store's operational impact

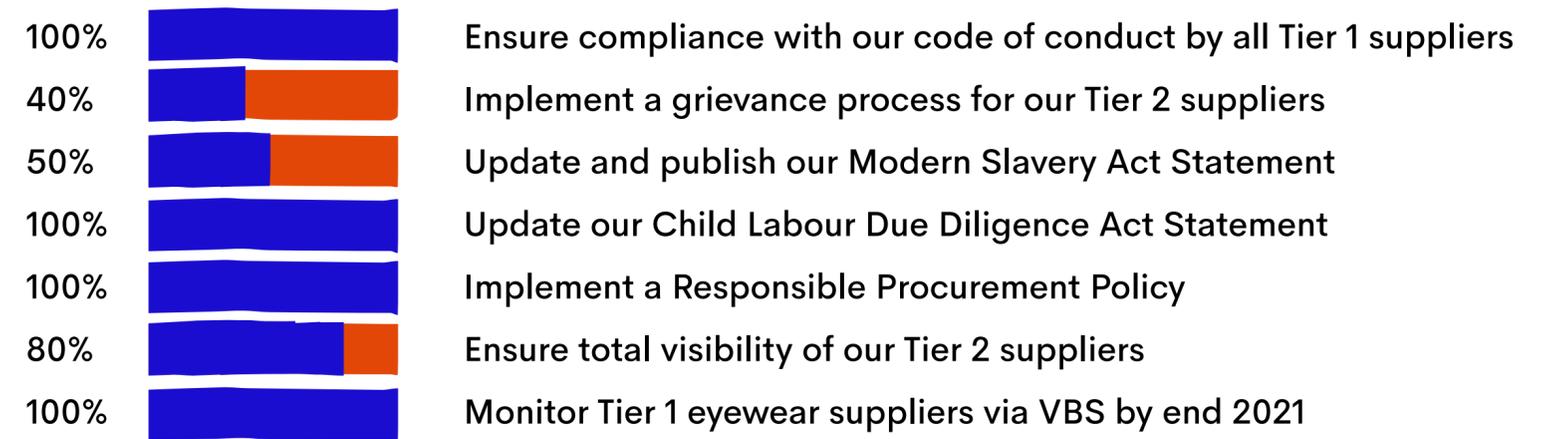


2) Designing stores responsibly

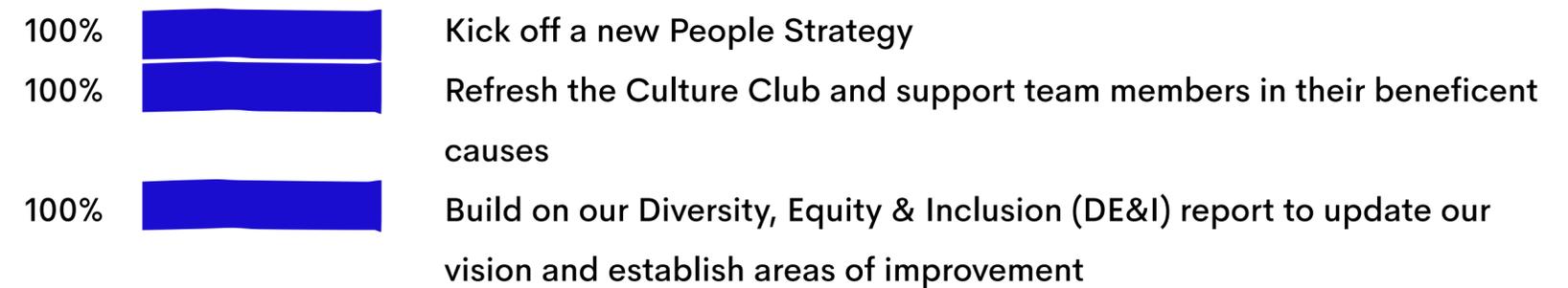


We run
a global
business

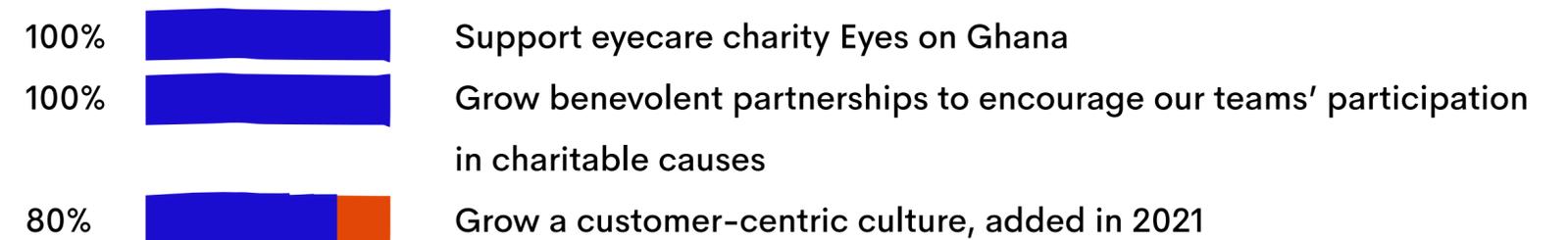
1) Advocating responsibility across our supply chain



2) Nurturing our work culture

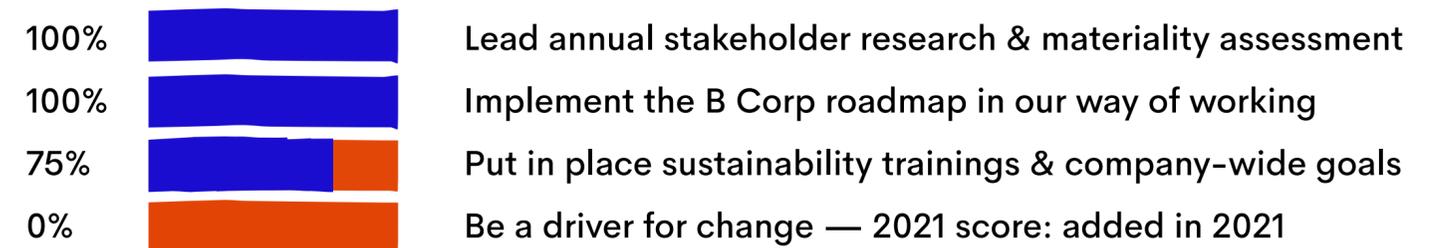


3) Engaging our communities and customers

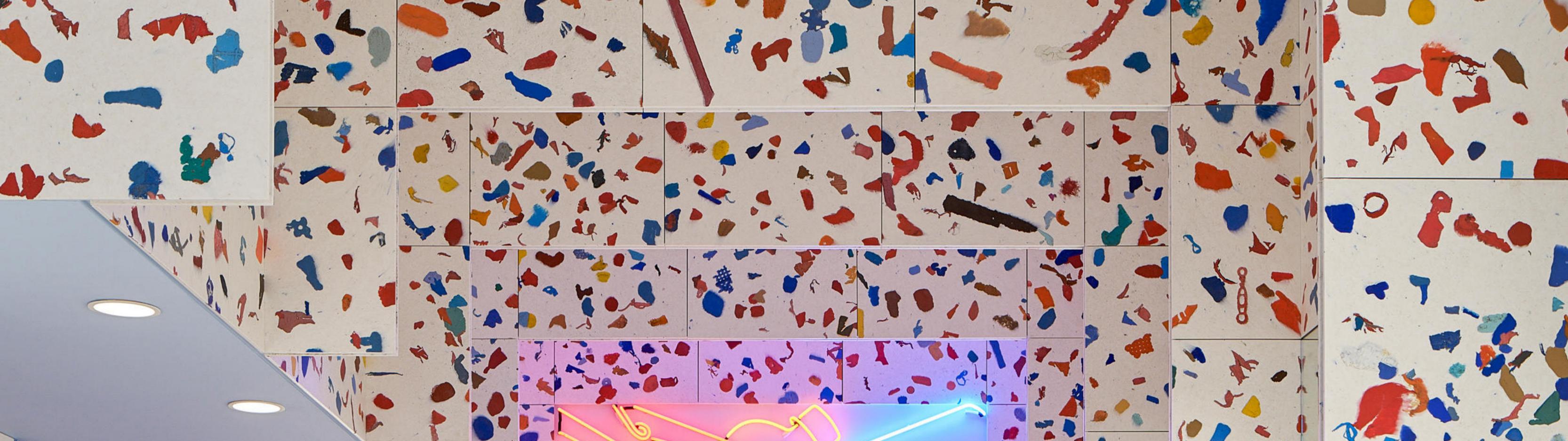


And we're
a B Corp

Ethical & responsible governance



5. We make a physical product



We make a product — and with a product comes a life cycle, which means impact at each stage.

We know for a fact that 80% of our CO2 emissions come from our product supply chain which, to top it off, is also energy-intensive and wasteful. To put things into perspective, for each 100 gr. of acetate we order from our suppliers, 20 gr. ends up in your frame and the rest is downcycled — in other words, most of the time, it ends in the bin.

Each year, we conduct a Product Footprint Assessment and publish a Corporate Footprint Report, so as to better understand the environmental impact of our product and business.

It is based on these insights that we are able to take action; to adapt our sourcing choices, seek more sustainable production alternatives and put in place novel circular initiatives. At the level of our supply chain, but also in our stores and at our headquarters.



1 Reducing our total carbon emissions

We cannot, at this stage, do away with our environmental footprint. But what we can do is measure it, reduce it, offset it — thinking in terms of both relative product emission and overall absolute emissions.

Both constitute a challenge, as we are a growing business and run a supply chain that doesn't lie entirely within our direct control. Basically, this means we emit carbon and don't always have the leeway to take the measures we wish we could. We nonetheless push for change, big and small, whenever and wherever we can.

90%



Conduct annual Green House Gas reports 90%

We measure our Corporate Carbon Footprint annually and publish results in the form of a Corporate Carbon Footprint (CCF) report, following the principles of the Greenhouse Gas (GHG) Protocol on measuring CO2 emissions.

In line with the Protocol — and for us to see through it all more clearly, frankly — we split our carbon emissions into two types of activities and three scopes.

- **Upstream activities:** these refer to the different inputs needed in order to produce a frame. They can be either direct (scope 1) or indirect (scope 2 and 3).
- **Downstream activities:** these refer to different steps where frames get produced and distributed. Downstream scope 3 is referred to as our Product Carbon Footprint They are indirect only (scope 3).

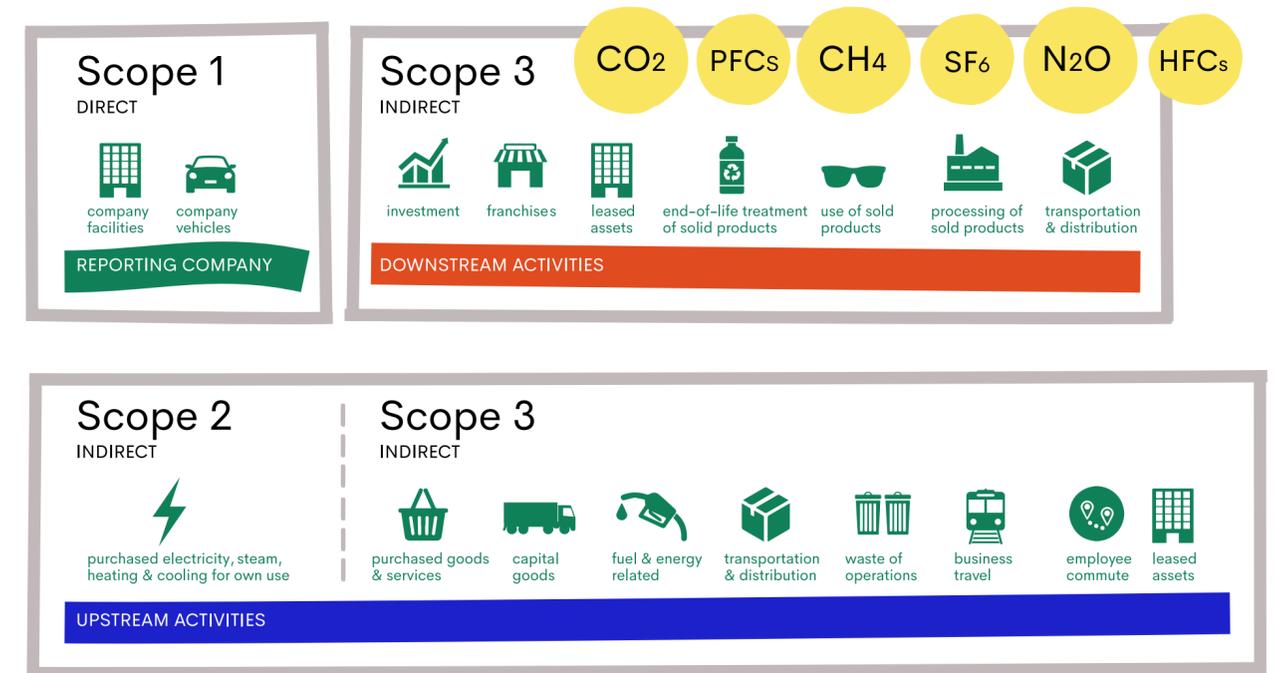
Clearly, that is a lot of carbon to crunch. To help us in the process, we've teamed up with Vaayu. It is the world's first automated carbon calculation software, and enables us to track and cut our footprint in real-time.

Our total carbon emissions in 2021: 2,007 tons CO2-eq.

For context, 1 ton CO2 is equivalent to:

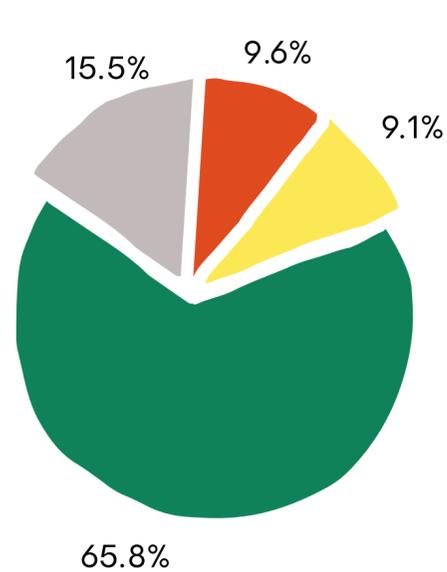
- 2,5 economy flights from Amsterdam to Rome — over 5000 one-ways (design)
- The yearly electricity consumption of 0.65 households in the Netherlands — one year of electricity for about 1300 families (design)

This visual below brings it all together:



Source: Milieucentraal

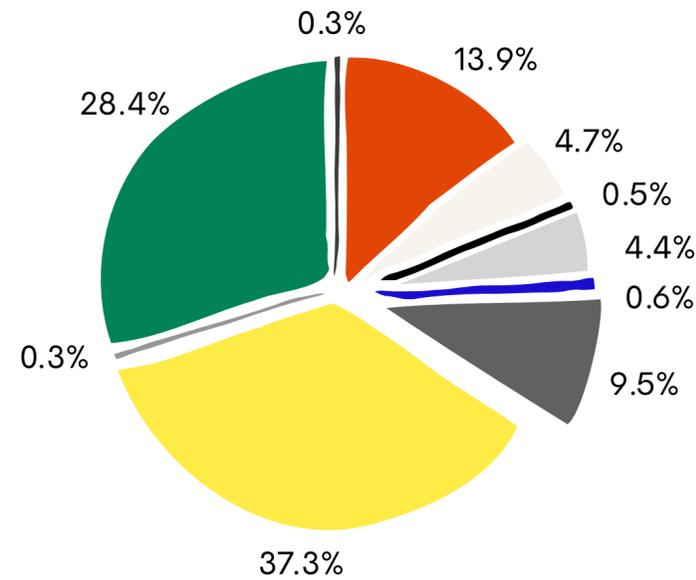
Our 2021 Corporate Carbon Footprint in detail



A) Total carbon emissions, by scope

- Scope 3 Downstream
- Scope 3 Upstream
- Scope 1
- Scope 2

Source: Milieucentraal



B) Total carbon emissions, by source

- PCF
- Servers
- Shipments
- Trains
- Commute
- Electricity
- Flights
- Heating
- Hotels
- Natural Gas

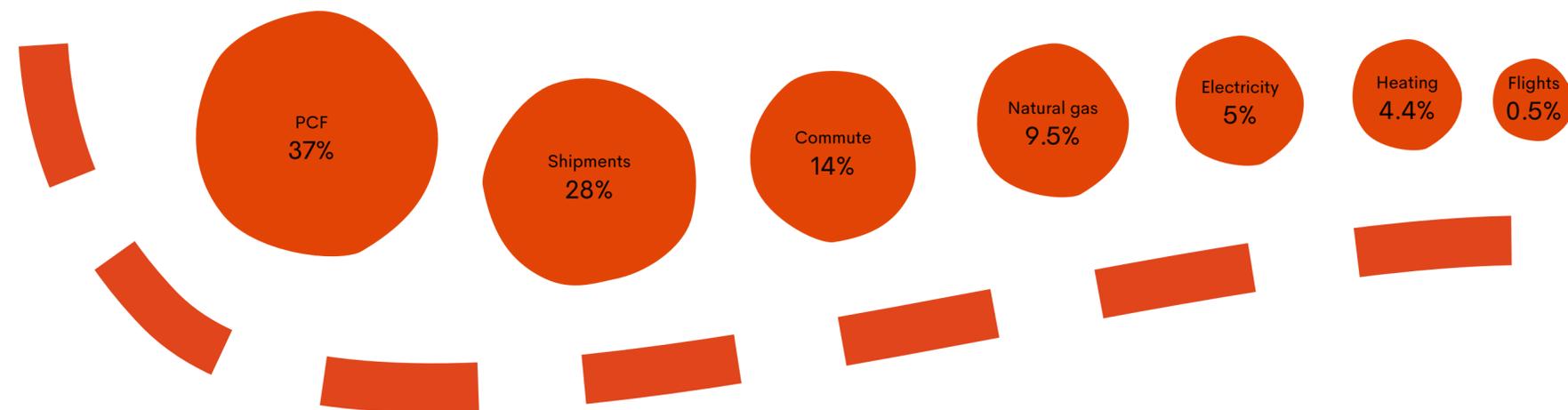
20% ■ ■ Set science-based reduction targets

To reduce our emissions effectively, we need actionable targets consistent with latest climate science.

For us, this implies aligning ourselves with the Science Based Target initiative (SBTi), a journey we initiated this year — and to be quite blunt, it has been a bumpy ride. We found out along the way we'd need access to more and better quality data on our business and impact, to set objectives that were both ambitious and realistic. We also found we'd need better tools to report and steer our results.

We therefore focused our attention on these two hurdles in 2021, and aim to have all data ready to model a target emissions scenario by the end of 2022, in accordance with the SBTi.

C) Our hotspots



100%  Publish product carbon labels

In line with our updated responsibility mission, it is our duty to involve our customer along our impact journey — all the more so when he.she.they can contribute positively.

Therefore, as of this year, all our products come with a label indicating their environmental footprint, so everyone can pick their frame in full awareness. And each footprint is offset by us, through our partnership with (Trees for All).

100%  Offset emissions in line with Climate Action Plan

We've been carbon neutral since 2020, offsetting our emissions through our on-going collaboration with Trees For All. In short, they are a non-profit organisation that uses our purchased carbon credits to support sustainable forestry projects across the world.

To be very clear: offsetting is not the answer to climate change. And it's not our quick fix. However, it does help soften the blow as we work our way to becoming a net-zero economy. In the coming year(s) we will be exploring and introducing additional meaningful ways to decarbonize, such as 'insetting'.

You planted trees too!

In 2021, we partnered up with Adyen to give each of our in-store customers the possibility to donate to Trees for All at the moment of purchase. In one year, this helped us all plant an extra 7 200 trees!

Here's what we'll be doing next, to focus on our carbon footprint:

- Set up a new Climate Technology tool in 2022 to help us identify specific areas of improvement, focus our abatement efforts and model impact scenarios.
- Define both near- and long term science-based targets to align with the Net-Zero Standard.
- Set new targets to reduce emissions per product, relative to our annual expected growth.
- Work towards sharing more detailed product footprint descriptions, as well as other impact-related product data.
- Launch Adyen Giving as a standard option at checkout when purchasing online, to expand its impact.

1.a

Reducing our emissions from upstream activities

As introduced in the first part of this section, we think of our CO2 emissions as two separate sides of a coin: upstream business activities and product-related downstream activities. Emissions from upstream activities can be traced back to our own assets (eg. stores) but also assets that are not owned nor controlled by Ace & Tate, but indirectly impact our value chain — think servers, business travel and employee commute.



What we read

Breakdown of our upstream CO2 footprint
In tons Co2-equivalent (eq)

CO2 RESULTS		2019	2020 *	2021 *
Scope 1	Natural gas	72.72	49.48	189.88
	Petroleum	3.96	4.81	3.09
Scope 2	Electricity (market-based)	111.26	49.26	94.72
	District heating	51.06	43.23	88.27
Scope 3	Flights	185.75	55.04	9.13
	Rented vehicles – petrol	0.92	0.90	0.05
	Rented vehicles – electric	not reported	not reported	0.13
	Trains	0.01	0,19	5.12
	Trains 2		6.70	
	Servers	1.85	0.01	6.95
	Hotels	not reported	not reported	11.94
	Commute	not reported	not reported	278.30
Total in tons CO2-eq		427.53	209,62	687.58

*For data accuracy, we do not take 2020 as a year that signifies progress, as our stores were forced to close for periods during Covid-19.

*Note: our 2021 Corporate Carbon Footprint calculation was conducted by Vaayu. The 2019 and 2020 calculations were conducted using different methodologies, references and scope.

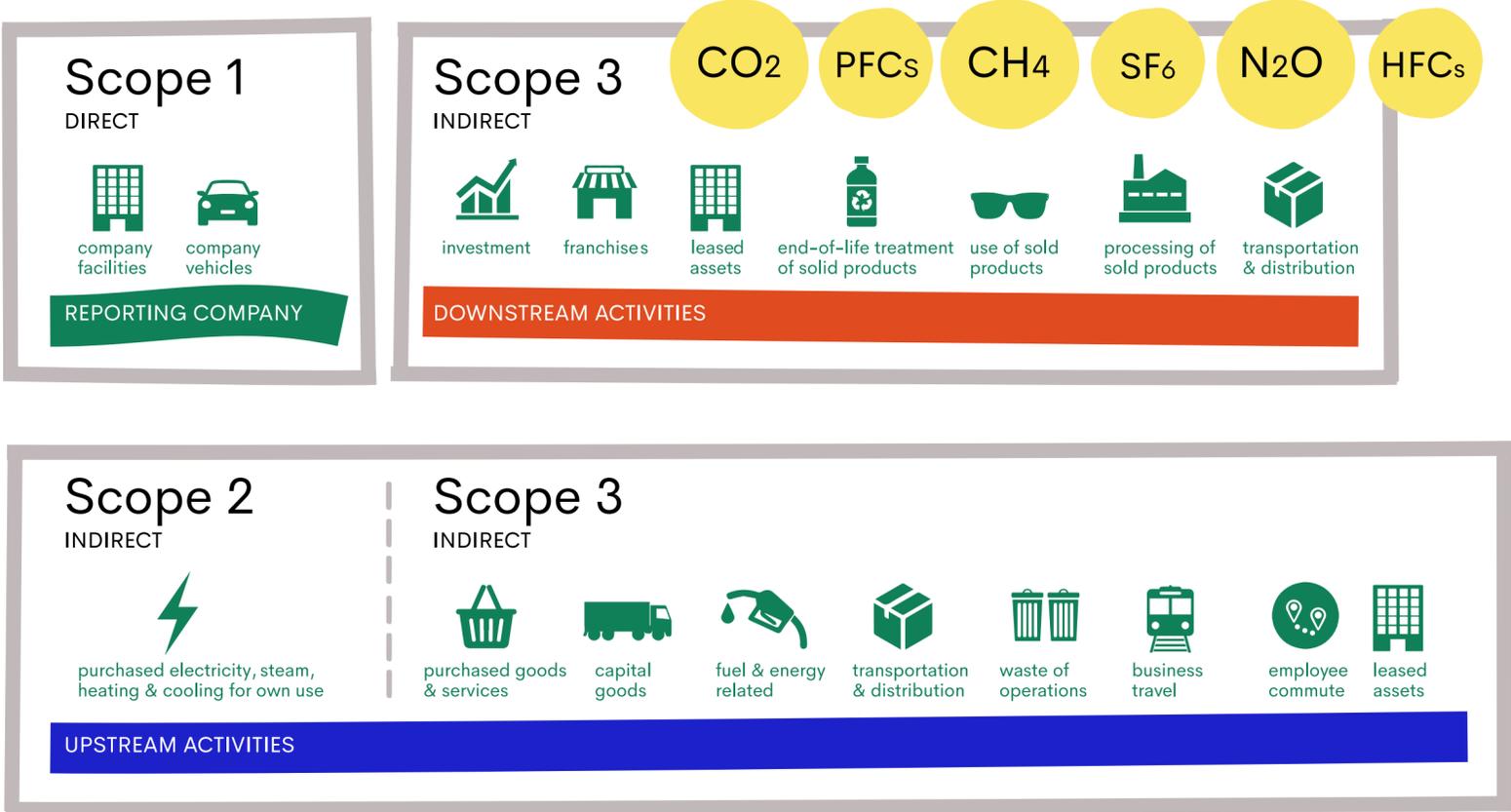
What we take away from it

Upstream Activities — Scope 1, 2 & 3

Our relative footprint in terms of electricity per store has decreased by 38% between 2019 and 2021. This is the direct result of a complete switch to renewable energies for all existing and new stores.

A short note on calculating our impact and the importance of renewables
 There are two methods to report on CO2 footprint per store. One is market-based and calculates emissions based on a specific contract or agreement for energy — which can be renewable, or not. The other one is location-based and calculates emissions based on the average emissions of a local-power grid. Our market-based impact of electricity is 94.72 tons CO2-eq versus 350.05 location-based, which reveals the importance of both a transition to renewables, and the use of a market-based methodology.

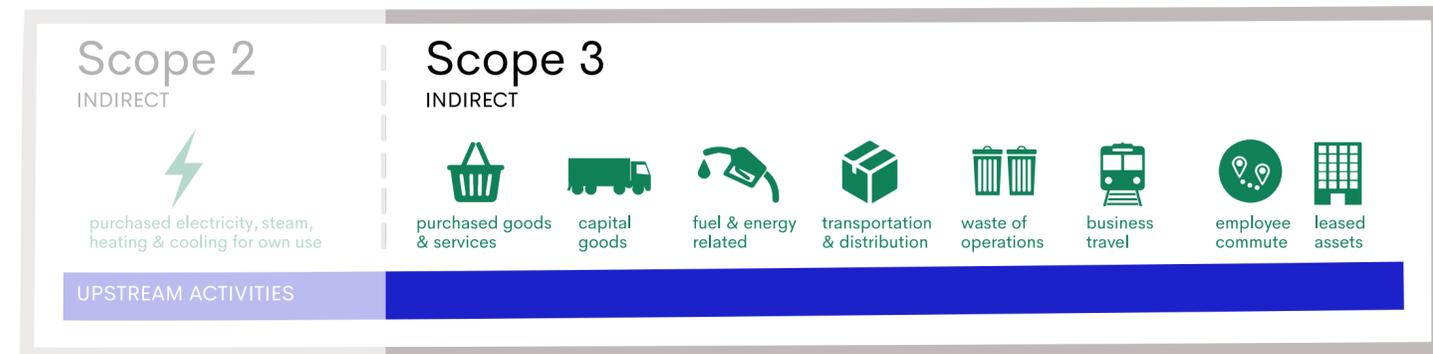
That being said, our natural gas emissions show an increase. This is attributable to improved reporting, as our usage per store has, in reality, been reduced by a negligible amount — and will be one of our focus areas for the years to come. More on that in the Operational Environment Impact section.



Upstream Activities — Scope 3

In 2021, we calculated commuting impact for the first time, which led to a substantial increase in our Upstream Scope 3 emissions: our commuting footprint accounts for nearly 90% of these emissions, and 14% of our total emissions.

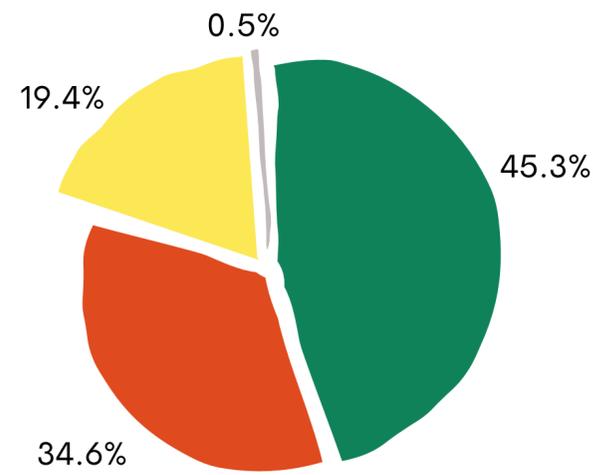
As to corporate travel, don't take the percentages at face value. Travel makes up 8.5% of our total upstream scope 3 footprint. Although Covid-19 helped us improve our results in 2021, this does not reflect our usual business travel habits. Unquestionably, there's more work to be done on this one.



Scope 3 direct	2018	2019	2020	2021
Business flights	96.05	185.75	55.04	9.13
Rented vehicles – petrol	0.7	1.09	1.09	0.05
Rented vehicles – electric		1.90	6.74	0.13
Trains				5.12
Hotels				11.94
Employee commute				278.3
Servers		0.01	0.01	6.95

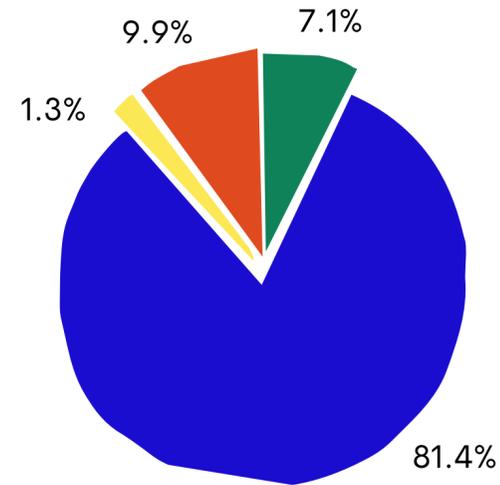
The management of our 76 stores (2021 count) implies travel for our retail project managers and regional teams. In 2020, we introduced a new Corporate Travel policy to reduce and better travel. Our ambition is to revise this policy in 2022, in order to accurately reflect travel behaviours post Covid-19.

Always with the perspective to help steer decision-making, we have included the impact of hotels in our reporting for the first time this year.



2020 Corporate travel

- Hotels
- Flights
- Trains
- Rented Vehicles



2021 Corporate travel

- Flights
- Trains 2
- Rented Vehicles
- Petroleum

Looking at type and frequency of travel, we clearly see the high impact of flights and hotels, relative to the low impact of train transport.

- 103 flights (incl. one-way and return)
- 915 train rides (incl. one-way and return)
- 744 nights

Here's what we'll be doing next, to continue reducing our upstream emissions:

- Revise and relaunch our Corporate Travel Policy



1.b

Reducing our emissions from downstream activities

Now onto downstream activities: that is, the activities that are directly traceable to our product, and where we leave our biggest carbon mark.

To calculate these specific CO2 emissions, we've been conducting Life Cycle Assessments (LCA) since 2019. They enable us to understand our products' yearly impact at each and every stage of its life, and therefore, define pertinent product reporting strategies for the future.

In 2021, we understood that to take our LCA reporting further, we needed to:

- Work proactively with environmental data and use it to steer decision-making
- Have more granular data to act on the insights of our footprint reports
- Invest in automation for quality data and consistency

System boundary & scope of a lifecycle report

To conduct a life cycle assessment, a so-called "system boundary" needs to be determined. It defines the successive life-cycle stages of the product that are going to be assessed, from raw-material extraction to end-of-life — cradle to grave.

In 2021, we revised our system boundary to ensure alignment with our business operations' complexities. Take edging, for example. Roughly 80% of our frames are fitted with prescription lenses. This process is officially known as 'edging', whereby the lens is 'edged' and mounted into the frame. Depending on where the frame or prescription is purchased, this can be done at different locations. 25% of our edging is carried out in-store. 48% is done in Hungary. 27% at our production partner's facility in the Netherlands. In the latter two situations, all edged glasses are shipped to our warehouse. They are then packed in a case with a cloth, and shipping boxes for final customer delivery.

These are the different scenarios we've been reporting on:

Option A

Lenses on prescription, edging in the Netherlands
retail sale / store pick-up / direct to customer

Option B

Lenses on prescription, edging in Hungary
retail sale / store pick-up / direct to customer

Option C

Transport to store, edging in store,
followed by in-store sale / pick-up

Option C.1

Transport to store, no edging,
followed by in-store sale / pick-up

Our total PCF calculation takes into account both product category, and route taken. Total PCF for a frame following the most common route, option B (prescription frames, edging in Hungary, retail sale), is detailed in the table at the right.

All frames under scrutiny in this report are produced in China. Materials are supplied locally. Production and transportation of raw materials, including packaging, to sites have been considered.

Prior to edging, frames are mounted with either demo lenses, plano lenses or sun lenses. They are then shipped alongside our other products, by air and/or sea freight, to our warehouse in the Netherlands.

Some frames come with forecasted sun lenses. These are less wasteful, as they can be sold as they are. For prescription frames, demo lenses are replaced by specific prescription lenses when an order is placed (see Circularity & Innovation to find out what happens to our demo lenses) and edged — which brings us back to the scenarios we specified above.

Products within the scope of our 2021 LCA

- Bio-acetate frame
- Bio-acetate/combi frame
- Clip-on frame
- Metal (stainless steel) frame
- Recycled-acetate frame
- Titanium frame
- Virgin-acetate frame
- Virgin-acetate/combi frame
- Windsor rim frame
- Cleaning kit
- Eye drops

**Footprint of a bio-acetate frame broken down following the LCA method
Scenario B (see right), in kg CO₂-eq**

Raw materials	0.633	23.69%
Demo/plano lens	0.124	4.64%
Packaging (primary)	0.008	0.30%
Transport to manufacturer	0	0.00%
Production of frame	0.393	14.71%
CR39 optical lens	0.002	0.07%
Transport frame to warehouse	0.204	7.63%
ENOT/HOYA (edging and grinding)	0.273	10.22%
Transport frame to edger	0.442	16.54%
Transport frame back to warehouse from edger	0.442	16.54%
Consumer packaging (eyecase)	0.086	3.22%
Warehouse utilities (total)	0.055	2.06%
Transport to retail	0.01	0.37%
Retail	0	0.00%
End-of-life	0,004	0,15%
SUBTOTAL	2,672	

Objective 1:

100%  Decrease the CO2-eq impact of our products by 10% between 2019 and 2022

Objective 2:

75%  Decrease our total supply chain's CO2-eq emissions by 15% between 2019 and 2025

Since initiating our reporting in 2017, our product footprint has steadily lowered in line with our product carbon intensity target — to decrease CO2 emissions by 10% between 2019 and 2022.

This was achieved through improvements in our supply chain, packaging reductions and transitions to low-impact materials.

Carbons emissions from a bio acetate vs. stainless steel frame
In kg Co2-equivalent (eq)

	2019 (Vaayu revised reporting)	2021 (Vaayu LCA reporting)
Bio Acetate	6.92	2.68
Stainless steel	6.4	2.44

To put things into context, in order to curb the effects of climate change and limit earth's warming to 1.5 degrees above pre-industrial levels, global emissions need to be halved by 2030 and reach net-zero by 2050. Businesses, have a huge role to play in this transition. In contribution to this - we are working to define robust both near- and long term science-based targets to align with the Net-Zero Standard.

While the 2021 downstream scope 3 footprint shows a decrease, net of company growth, we know that sustaining these results will be a challenge in the months to come. Indeed, as we keep on growing our customer base, reducing our absolute product and total emissions will require substantial additional effort.

In the year ahead, we will be working all the more closely with our suppliers to thoroughly understand and reduce their footprint. We will also need to continue rethinking our supply-chain processes, with a strong focus on efficiency, innovation, and regeneration.

Change in total downstream scope 3 emissions, between 2020 and 2021
In tons Co2-eq

	2020	2021
Total downstream scope 3	1,612.74	1,320.01

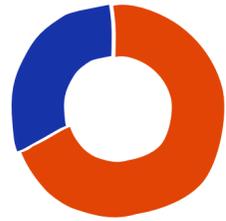
The 2021 footprint is calculated by adding the impact of downstream shipments and total PCF based on sales. The 2020 footprint is based on our revised PCF calculations conducted by Vaayu, using 2019 data and sales data. Comparison between the two data points is to be taken with a pinch of salt, yet the trend is clearly visible.



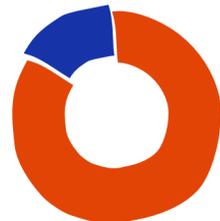
**Our emission reduction efforts,
by step of our product life-cycle**

Low-impact materials

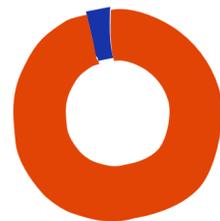
In 2021, we further focussed on the introduction of low-impact materials like bio and recycled acetate. Bio acetate, for example, is proven to decrease the CO2 impact of raw materials by 10%, deplete 13% less fossil fuels, and consume 7% less water (2019 LCA). We've been working on introducing this material since 2018 .



SS21: 81%



AW21: 69%



SS22: 97%

(percentages indicate percentage of bio acetate frames out of total acetate frames)

Manufacturing

The production process of a classic frame accounts for 20% of our PCF. To reduce this figure, we've been in close touch with our suppliers, monitoring their utilities usage and helping them implement efficiencies and better methods within their systems of production.

Transport

For everything sea freight, we partner with GoodShipping, a sustainable shipping initiative which replaces fossil fuels with bio-based alternatives

For everything airfreight, we participate in Flexport's Carbon Offset program, which enables us to offset our carbon footprint and invest it in certified positive-impact projects (eg. renewable energies, deforestation prevention). In 2021, we offset 169,8 tons CO2-eq.

Edging & mounting

Edging is the process of adding prescription lenses to a frame. Our most recent effort was to relocate edging from Thailand to Hungary. This reduced the footprint of this specific phase by 80%, from 5,431kg CO2-eq in 2020 to 1,157kg CO2-eq in 2021, per frame. A decrease attributable to reduced transportation but also increased energy gains in Hungary.

In the coming years, we aim to go one step further, using low-emission, high-end machinery in retail and factory, and edging a greater number of lenses in-store.

Use phase

We started reporting on the consumer use phase — the wearing, cleaning of and caring for a frame — in 2019. Our very first calculation showed that a frame, at this stage, accounts for 1,1kg CO2-eq per year, mainly due to the warm water and soap used in cleaning. In our 2021 PCF report, we have excluded these calculations as we await further quantitative and industry-wide research to improve data quality.

In a recent survey, we were happy to discover our customers are also doing their fair share of the work since the introduction of our cleaning kit in 2020. In 2019, 40% of participants mentioned cleaning their frame with warm water and soap about once a week. In 2021, 20% of participants used our cleaning kit, 25% used warm water and soap and 55% used our rPET cleaning cloth.

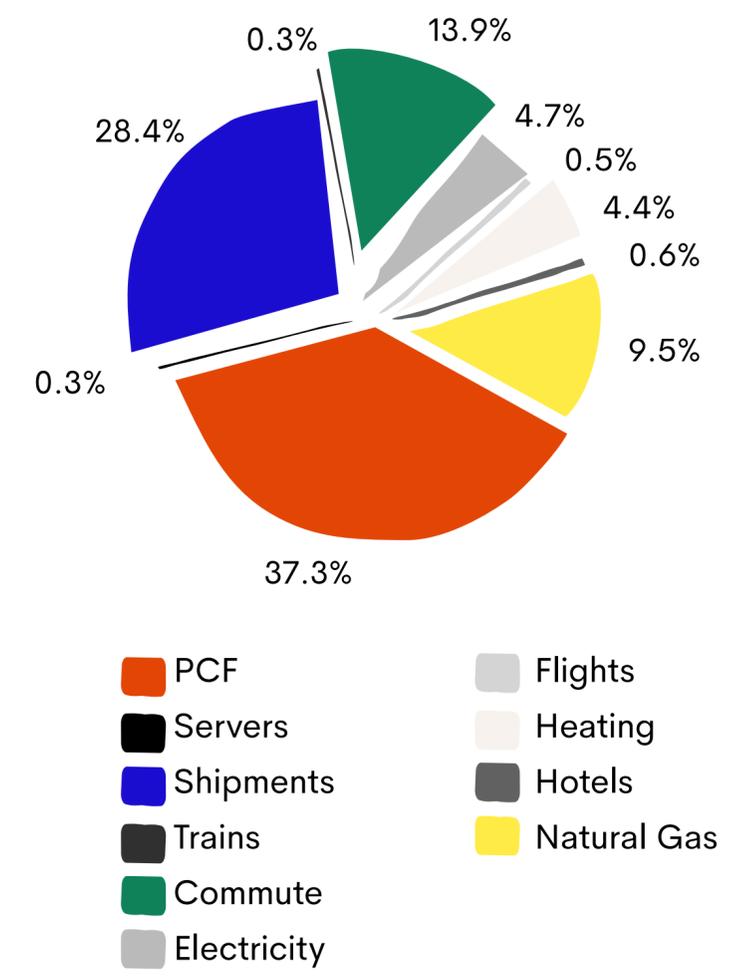
Deliveries & packaging

In the LCA discussed in this report we focused on option B: retail sale, edging in Hungary. For the 20% of our sales that take place online, the order is shipped directly from warehouse to consumer — and with shipment, comes impact.



This year, we have used customer location data to calculate this footprint, rather than average distances (2019 LCA). Additionally, we have calculated the impact of delivery on a volume and weight basis, rather than weight only. While this updated tracking method shows a higher impact of delivery on PCF compared to last year, it has enabled us to gain high-quality insights on our delivery footprint.

In 2021, shipments and shipment packaging made for 28.4% of our total footprint.



Comparison of the LCA reporting results

Below is a Life Cycle Impact Assessment (LCIA) breakdown of our bio-acetate frame in 2019 and 2021, including notes to explain variations. LCA of a bio-acetate Pierce frame Scenario B.

PIERCE BIO-ACETATE FRAME	2019 (kg CO2-eq)	2021 (kg CO2-eq)	% OF TOTAL 2019	% OF TOTAL 2021	COMMENTS
Raw materials	0,633	0,633	9,15%	23,69%	Same raw material composition in 2021 and 2019
Demo/plano lens	0,124	0,124	1,80%	4,64%	Same demo lenses weight and composition in 2021 and 2019
Packaging	0,008	0,008	0,12%	0,30%	Same primary packing weight and composition in 2021 and 2019
Transport to China production	0,003	0	0,04%	0,00%	Decrease in distances traveled from raw material to supplier to manufacturer in 2021
Production of frame in China	0,393	0,393	5,68%	14,71%	Same usage of production utilities in 2021 and 2019
CR39 optical lens	0,012	0,002	0,18%	0,07%	Higher weight of lenses in 2019
Transport frame to warehouse	0,126	0,204	1,82%	7,63%	Increased distance from manufacturer to warehouse
(Edging & grinding) ENOT HOYA	2,057	0,273	29,74%	10,22%	Move to Hungary and reduction in edging and electricity usage
Transport frame to edger	1,687	0,442	24,39%	16,54%	Move to Hungary — change from air to land freight, and reduction in shipping distance
Transport frame back to warehouse from edger	1,687	0,442	24,39%	16,54%	Move to Hungary — change from air to land freight when possible, and reduction in shipping distance
Consumer packaging (eyecase)	0,077	0,086	1,12%	3,22%	Decrease in weight of our water-based packaging unit
Warehouse utilities (total)	0,102	0,055	1,48%	2,06%	Decrease in warehouse electricity and water consumption in 2021
Transport to retail	0,007	0,01	0,10%	0,39%	Improvement in data provision and reporting: increase in distance to retail store in 2021
Retail	0	0	0,00%	0,00%	Excluded here as this is already covered in the CCF
SUBTOTAL	6,917	2,672			
Use phase					
End-of-life	0,004	0,004	0,06%	0,15%	
TOTAL	6,921	2,676			

Product emissions per life-cycle stage

Below is a simplified overview of our products' life-cycle stages, and their respective emissions in 2019 and 2021.

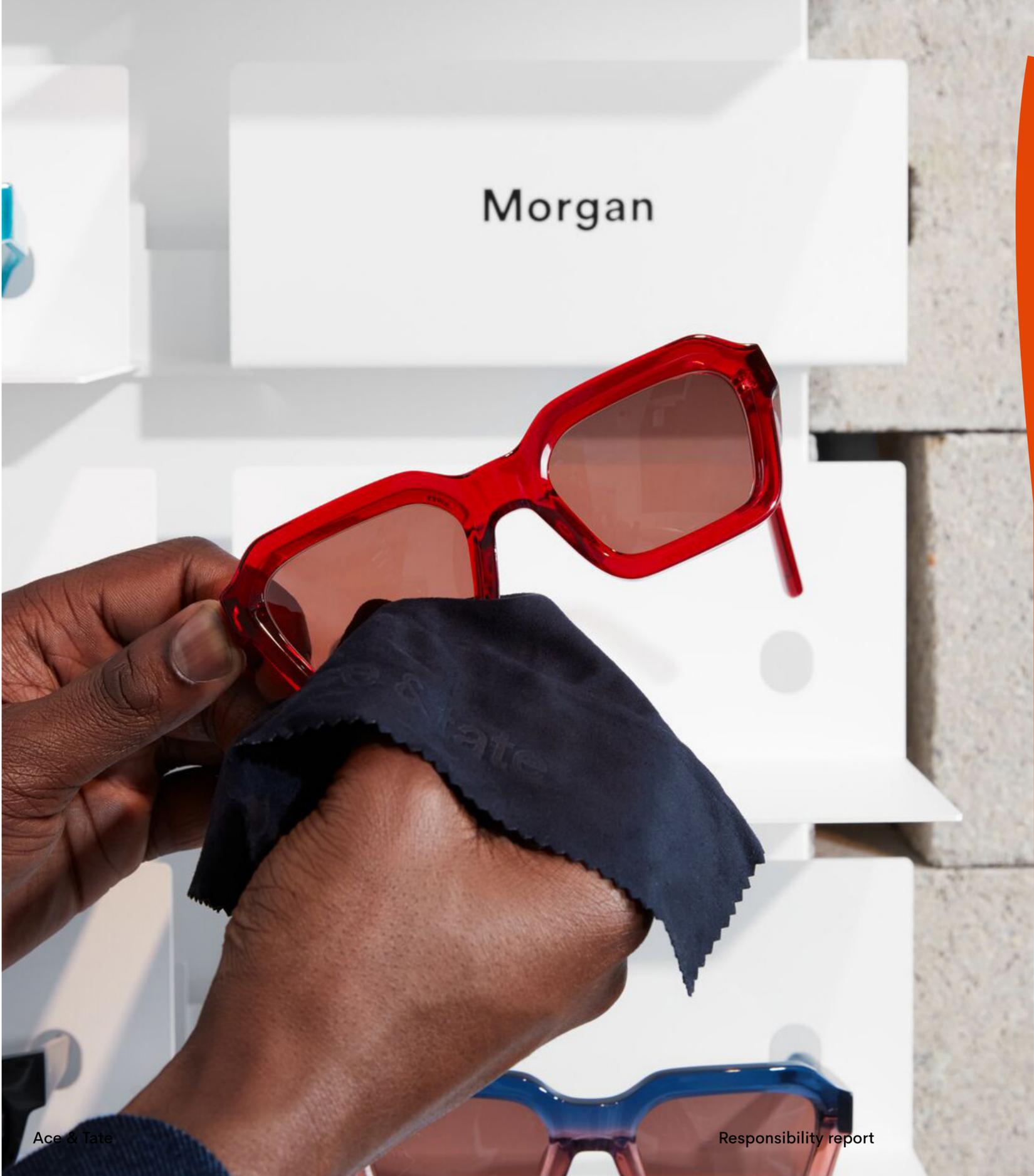
Footprint of a bio-acetate frame Kg CO2 eq.

	2019	2021	Change in percentage
Raw materials	0.77	0.76	-1%
Production & edging	2.45	0.67	-73%
Transport	3.51	1.10	-69%
Packaging	0.09	0.09	11%
Retail	0.00	0.00	
Warehouse	0.10	0.06	-46%
Use phase	0.00	0.00	
End-of-life	0.00	0.00	0%
	6.92	2.68	-61%

The 2021 LCA phases exclude customer deliveries and shipment packaging, as well as the Use phase which has not been reported on this year. Retail footprint is considered in Scope 2. For more details, read our full LCA report here.

Here's what we'll be doing next, to continue reducing our downstream emissions:

- Explore insetting, an alternative approach to offsetting which reduces emissions directly within the value chain, by working in close collaboration with our key suppliers
- Focus on our downstream logistics' impact, investigating last-mile delivery options
- Receive and integrate industry-wide use phase research to establish our footprint at this stage
- Increase data availability and accuracy of our product's lifecycle - to reduce emissions and optimize processes



2

Aiming for best-quality

To be a sustainable company is to offer quality goods. By extension, that means we always need to have a critical eye on how our product is made, and what it is made of. That also means we need to ensure our product can stand the test of time, and will not end its life in a bin anytime soon.

100%  Put in place product quality management mechanisms for all key manufacturers

Beyond the looks, we take it upon ourselves to create high-quality products that last. Quality assurance and control are key in creating a responsible and durable product. In this regard, all our manufacturing partners are compliant with ISO9001, which specifies the requirements of a quality management system. Additionally, we ensure quality managers are present at our suppliers' factories during production, and partner with QIMA for both manual and lab checks at different steps of our supply chain.

Our product development process

Below are the different actions we take when creating a product, to ensure all our frames deliver on our quality promise.

Design – Technical Drawing: Our product design team creates a digital drawing of the frame based on an initial hand sketch including all measurements. We then 3D print the frame using PLA to avoid a pre-prototype sample being shipped from our partners. Once we have validated specifications, we send the technical drawing to our supplier to make a prototype.

Prototype – Technical Solutions: When we receive a first prototype, we assess its fit, shape and measurements, and send out a request for adjustments if need be.

Photo sample – Manufacturing Tests: A second sample is made, in all the colours that will eventually be on offer. We verify palette, polishing and construction, and select lens colours. Here again, we give our supplier feedback if adjustments are deemed necessary.

Pre-shipment sample – Quality Check: A final sample is sent to our headquarter, right before the bulk order is shipped. This is where the supply chain team comes in and approves bulk production. At this stage, no changes should be needed.

Bulk – Final Quality Check: Ultimately, we engage QIMA to conduct a final on-site quality inspection. Based on this, our supply chain team can approve shipment.

Here's what we'll be doing next, to continue improving the quality of our products:

- Build out the product development process for our expanding portfolio, to ensure new and existing products are always up to our standards



3

Sourcing & producing responsibly

Sourcing

100%



Develop our sustainable materials library and introduce guidelines to all team members

The first item on our list when discussing sourcing and materials, is the sourcing process in and of itself. Necessarily, that also includes the people involved within that process.

Each frame's journey starts with our in-house Design and Product Development team. At this stage already, we start thinking about our product's impact — and envisage ways to keep it low.

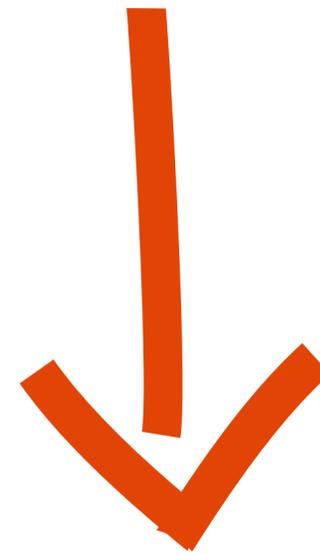
In 2021, we defined our "Responsible Product Principles", drawing inspiration from the Cradle-to-Cradle framework and Ellen MacArthur Foundation's concept of circularity. Both initiatives urge us to think from start-to-end-of-life, focusing specifically on the use of low-impact materials, waste elimination and efficiency in production.

Rethink
Regenerate
Reduce
Repair & reuse
Recycle
Renew

When it comes to sustainability solutions, there's never one easy way out: every decision we make is a trade-off, weighing each alternative's environmental and social cost.

Our teams are confronted with this compromise on the daily. To move forward, they use the data we've been able to collect over time and try to work with materials that are ethical, certified, recyclable, and low-impact (i.e. made from at least 50% recycled or bio-based materials).

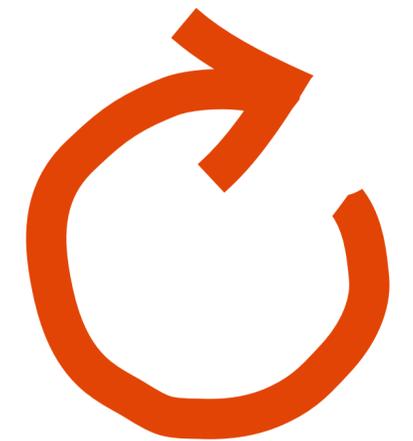
To further assist decision-making, we've started working with a Materials Classification Index. It outlines which materials are preferred, discouraged, or a no-no for Ace & Tate, in line with its sustainability mission. Expanding this Index will be our priority for the year to come.



DESIGN FOR WASTE



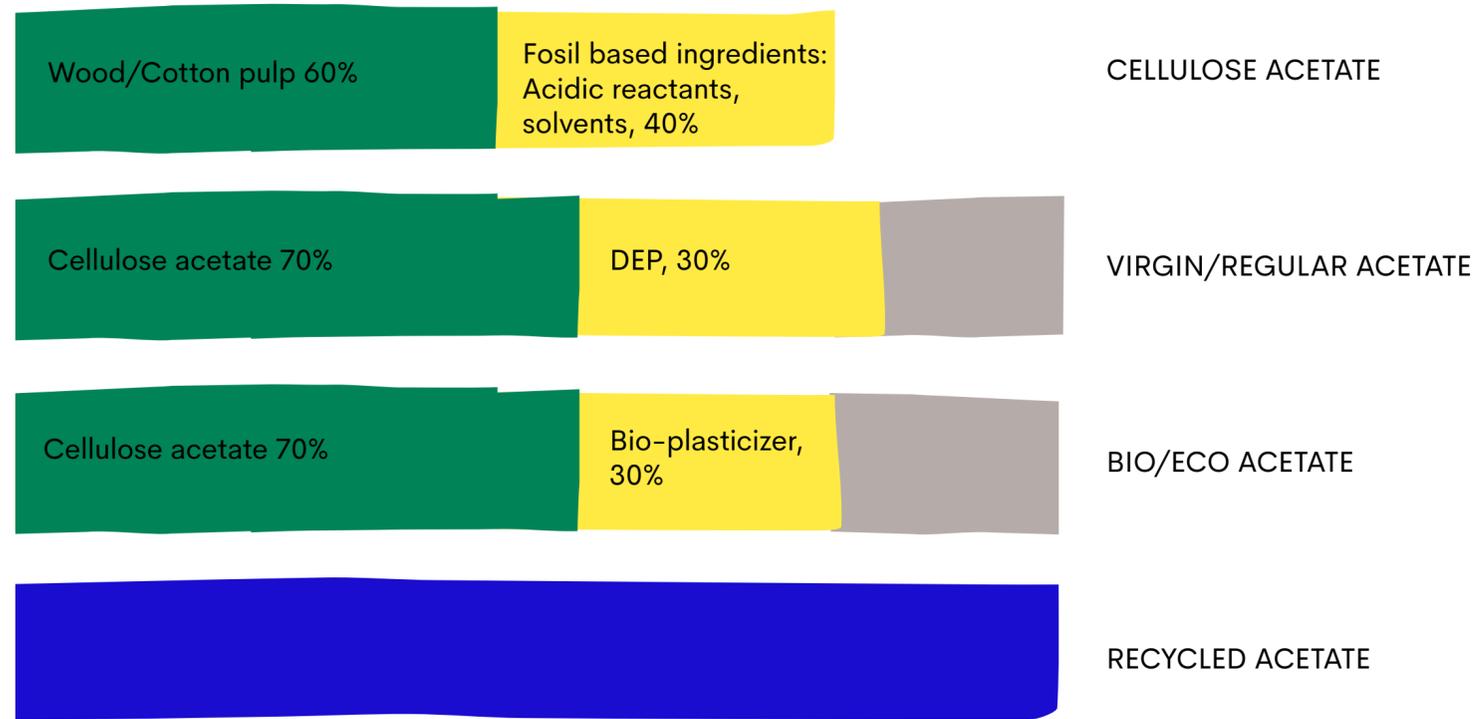
DESIGN FOR LONGEVITY



DESIGN FOR REGENERATION

75%  Produce our entire acetate collection using bio and/or recycle acetate

Acetate is a human-made, semi-synthetic material. Conventional, “virgin” acetate is a combination of 70% cellulose acetate (made of wood pulp, fossil-based ingredients and acids) and 30% plasticisers, which are commonly fossil-fuel derived. This material can be turned into acetate granules and mixed with colour pigments, to form the plastic we call acetate.



It goes without saying, plastic does not sound great — and is not great, from an impact perspective. Which is why we’ve been looking at using lower impact alternatives for several years now, of which:

Bio acetate

We started replacing part of the virgin acetate in our frames with bio acetate in 2018. In bio acetate, traditional, non-renewable, plasticisers are substituted with a bio-based starch or citrate-based alternative. This allows us to reduce our usage of non-renewables and therefore, our frames’ negative impact. As of 2021, our bio-acetate 79% bio-based.

Beyond composition, using bio-acetate makes for less negative impact. According to our 2019 LCA (using our 2019 methodology), making a bio acetate frame consumes 7% less water, 13% less fossil fuels and emits 10% less CO2 than a regular one.

You might ask us, is a bio-acetate frame biodegradable?
To be entirely clear: yes, but only under strict industrial composting conditions. Our bio-acetate frames also contain non-biodegradable materials, like screws, hinges and lenses which, together, take the total composting process to 115 days, in accordance with ISO14855.

Note. We’re committed to reaching circularity, and have been teaming up with Delft University of Technology since April 2021 to solve the end-of-life brain-teaser. Read more about this partnership in our Circularity & Innovation section.



Recycled acetate

An additional, more sustainable, alternative is recycled acetate, which is made from our acetate suppliers' production offcuts. Knowing there's almost always valuable leftover sheet waste, this acetate is gold to us.

Acetate composition breakdown by collection
% of total, 2021, excluding metal frames

	Bio-acetate	Recycled acetate	Virgin acetate
SS21	68.97%	3.64	27.39%
AW21	80.93%	2.65	16.43%
SS22	97.09%	2.91%	

Here's what we'll be doing next, to continue our transition away from virgin acetate:
Expand sourcing alternatives to increase proportion of recycled material in each frame
Introduce acetate Renew in 2022, an acetate with a 50% lower carbon footprint.

50%  Further reduce the impact of our packaging and frames

Packaging

In last year's Responsibility Report, we were beyond proud to share the strong positive impact our shift to a new water-based packaging case (or unit: PU) had had on our sustainability scores. Hence, to be quite blunt, we fell from high when we realized it did not represent quite as big of a change as we initially thought. A water-based PU has a lower CO2 impact.. but a higher water impact than a non-water based PU, amongst other factors. Here again, debate and trade-offs need to take place, as with each and every one of our sustainability choices. And here again, we see the importance of life-cycle thinking as from the very start of any product's — eyewear, packaging — development process. This being as it is, in 2022, we'll work on an improved case. Stay tuned.

Frames

Besides packaging, our product team has also been busy exploring our factories' archives in the past months. From this were born our Misfits, a diverse and vibrant capsule collection of sunglasses made from deadstock, and sold exclusively on Depop.

100%  Research alternative routes to reduce packaging impact

Our Materials Classification Index has made it easier for us to measure the material-related impact of our packaging, and take the steps below to improve that impact:

RPP hard case

In 2021, we introduced a new 100% recycled polypropylene (RPP) case, produced in the Netherlands using European plastic waste. What's more, the RPP is directly injected into a mould which significantly reduces waste, and at end-of-life, the RPP case can be recycled as plastic (subject to local guidelines).

Shipment packaging

In 2021, we also introduced new shipment packaging. Recycled cardboard was swapped for 50% grass and 50% FSC-certified cardboard, overall increasing the material's landfill compostability. Produced in Germany, it can be recycled like any paper.

50%  Reduce the impact of our Home Try On packaging

Our Home Try On (HTO) packaging efforts play on the following 3 factors:

- Weight, to lower transport footprint
- Durability, to use and reuse
- Recyclability, to not end in the bin

Our latest HTO pack contains a tray and sleeve that hold up to 4 glasses. It is made of 80% recycled waste paper and 20% recycled mixed paper. Its shipment packaging is made of 50% grass and 50% compostable cardboard. That's many percentages — and indicates we know where we're heading.



20%  Use only recycled, bio-based plastics in our supply chain by 2025

We've covered the ins and outs of virgin, bio and renewable plastics here, focusing on our frames and their composition. But there's other parts of our supply chain that ask for plastic.

Take polybags, for example. These are used during frame transport and storage, and most often made from virgin plastics — in our case, low density polyethylene (LDPE), a synthetic polymer. These are particularly harmful if not disposed of correctly, or recycled. On the flip side, however, they are durable and light, use less water and emit less carbon than their paper counterparts.

Our goal to achieve 100% recycled and bio-based plastics throughout our supply chain by 2025 is an ambitious one. To help us get there, and take the right decisions at each step, we're studying:

- The types of plastics suppliers use
- The available plastic alternatives
- The travel of these alternative along the value chain

We'll be sharing our progress here as we go. Come have a look, when you have time on your hands.

Production

10%  Explore innovations in production to reduce product impact

It is a given: in eyewear, the manufacturing of an acetate frame remains one, if not the, most impactful step of a frame's life cycle. To this day, it remains one of our hardest challenges to crack.

Beyond production itself, it is the wastage of resources during production that does the damage — especially at the milling stage, where 80% of slab material used is, to put it simply, eliminated.

It is clear: efficient production is the goal. Meanwhile, we are also pushing for enhanced recycling processes with suppliers, introducing circularity and low-impact materials. You'll find more information about these initiatives all along this report.

Here's what we'll be doing next, to source & produce more responsibly

Take responsible sourcing a step further. First, developing an internal R&D tool that allows us to model each product's footprint. Second, implementing a Product Life Cycle Management Tool to report progress.

Expand sourcing alternatives to increase proportion of recycled material in each frame.

Introduce acetate Renew in 2022, an acetate with a 50% lower carbon footprint.

Finish development and test improved reusable envelope in key markets by 2023.

Run first trials to explore less wasteful alternatives to the traditional milling of acetate frames, such as 3D printing and injection moulding



4

Exploring circularity and innovation

10%  Produce an entirely circular frame by 2025

Circularity is essential to shift away from the linear 'make-take-waste' model. Concretely, it means designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. Not an easy task with eyewear, the composition of which doesn't do well in recycling. To help us in the development of a 100% circular frame, we reached out to the Delft University of Technology (TU Delft). More on this below.

100%  Scale up partnership with Reflow to recycle demo lenses

Demo lenses are made of polymethyl methacrylate (PMMA), an engineering plastic and synthetic polymer. Their sole purpose is to keep a frame in its intended shape, as it travels from manufacturing to our customers in store. Not useless, but definitely wasteful.

More specifically, demo lenses account for 7% of a frame's footprint and each demo lens weighs about 3 gr. They are unvariably disposed of at end-of-life — resulting in up to 1,200kg PMMA waste a year.

In 2020, we turned our previous efforts up a notch. We kicked-off a partnership with Reflow, an Amsterdam-based start-up specialising in recycling plastics, sustainable material types and 3D printing. Together, we embarked on a 3-phase project with the objective to turn our waste into valuable materials.

In just over a year, we found a way to design and implement a sorting and recycling system to turn our demo lenses into 3D printing pellets and filament that could be used as a recycled input by all 3D printing designers and design teams. These are used to fabricate new designs and products that can, most importantly, be endlessly recycled.

In 2021, we sold Ace & Tate PMMA for the first time. This was a milestone: it meant we could now create something meaningful out of our own diverted waste, that others would be able to use in an endless variety of applications. This is just the start of our journey as we scale up the volume of recycled material and even explore other manufacturing techniques.

80%  Research the recyclability of eyewear under Reframe 2.0, in partnership with TU Delft

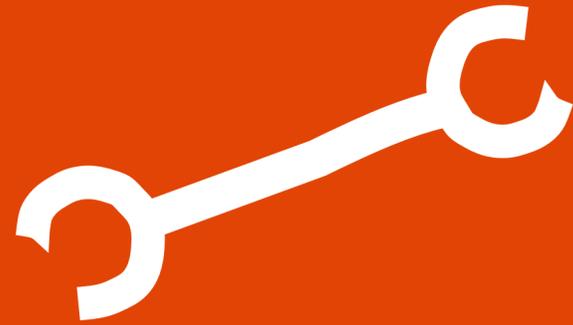
Reframe 1.0 came into being in 2020, with the simple idea to give old Ace & Tate frames a new life by refurbishing them. Easier said than done: a year in, we understood only 5% of pre-worn frames could be refurbished and resold. Leaving us with 95% of donated product in storage, which is many frames waiting to be recycled (you can add to that the defectuous and call-backs).

We reached out to our friends at TU Delft, initiating a 1-year-long research project to explore recycling avenues for end-of-life frames. Both mechanical and chemical alternatives were explored, with a focus on retrieving clean acetate, to be repurposed in frames or other retail applications. More results will come in by the end of 2022 and we'll be documenting them here.



COLLECTION

Our aim to design long-lasting, quality frames.



CARE & REPAIR

Taking care of your frames is the first step. Need a tweak to your frames? We've got you covered.



REUSE

With Reframe, we offer customers refurbished frames.



RECYCLE

Your broken, old frames can be returned to our stores, we're working on a way to recycle these!

Here's what we'll be doing next, to push circularity and innovation:

- Launch first entirely circular product by 2022.
- Scale up partnership with TU Delft, recycling a first batch of donated end-of-life frames.
- Create meaningful application for recycled eyewear materials
- Continue optimising demo lenses' supply chain and recycling.
- Revisit the Reframe initiative, integrating the care, repair, reuse, recycling stages.

6. We have brick-and-mortar stores



Our stores have helped us build the Ace & Tate we know today.

Our store is the beating heart of our brand. Where we want each and everyone to feel welcome, try a frame in real life and never feel the pressure to buy. It is also where you can find out more about who we are, what we do and what we're here for.

Our stores are designed to be functional and engaging. In their development process, we collaborate with local artists and invite them to share their perspective on sustainability in retail design. We use traceable, certified and low-impact materials only, and strive to run our stores on renewable energy. We have also put in place rigorous policies for increased power efficiency and better waste management.

Read on, to understand what we're doing exactly to lower our stores' impact.



1

Minimising the store's operational impact

100%



Create an energy baseline for all our stores

The Covid-19 crisis obliged us to close all our stores. A hard blow for our retail activities — but one that, in hindsight, led to very positive change. It fostered a new way of thinking within our operational team — shifting the focus from store management to impact.

By early 2021, 98% of our stores were running on renewable energy. To lower our retail footprint further, we quickly realised we would need better quality data, which became the focus of our efforts throughout the year. At the end of 2021, we had set up energy and gas reporting for 85% of our stores.

At present, the measurement of our water use and wastage is our toughest nut to crack. We've already introduced awareness policies for our floor teams, and will be focusing our attention on finding a water use and wastage reporting solution in the months to come.

100%

Improve our retail impact assessment by measuring waste generation, gas and water consumption, as of store opening

Today, each new store is requested to complete a questionnaire for details on utilities, heating, insulation and other efficiency-related topics — at opening, and every 3 months. This will enable us to establish an exhaustive store impact baseline.

80%

Increase our efficiency with energy-saving solutions

In 2021, we selected (5) key retail locations to analyse their efficiency, which helped us develop energy recommendations for future retail openings. We've turned them into a spec book, to be used as a reference when designing a new store. In the year ahead, we'll build on this work.

Here's what we'll be doing next, to push minimal store impact:

- Roll out store CO2-emissions efficiency and reduction measures, and train store staff on new behaviours to adopt
- Train store managers to further engage them on waste generation and water usage measures
- Track average annual energy-efficiency performance on store level
- Reduce retail dependency on natural gas



2 Designing stores responsibly

50%  Roll-out Responsible Retail Concept to all stores
At the end of 2021, we counted 76 stores in over 10 European countries — and there are more coming.

Setting up stores that provide a seamless and pleasurable cross-location experience while taking into account setting and impact, is our retail team’s driving purpose. In 2020, we set this in stone through our ‘Responsible Retail Concept’. It details our overall approach and establishes a framework for future openings and partners:

- Design for disassembly
- Use traceable, certified and low-impact materials only
- Work with what there is
- Keep it simple

7. We run a global business



We make an object destined to help everyone see clearly.

From day one, people have been at the heart of our business: as customers, inevitably, but also as employees and partners.

We're continuously seeking to become a better company to work for, and work with. This entails setting the standards in terms of social responsibility, culture and community development — in other words, showing genuine engagement and care, for each and every one of our stakeholders across the world.



1.A

Advocating responsibility across our supply chain

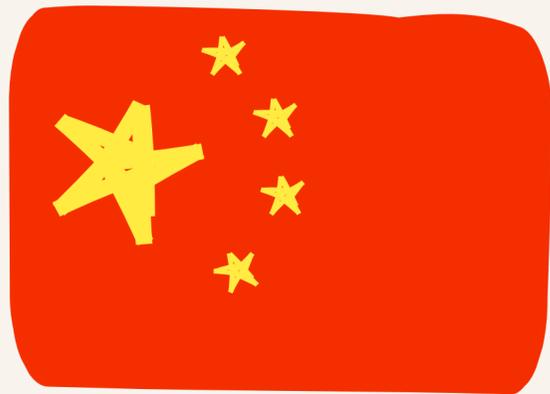
We work and collaborate in full transparency, every step of the way — no exceptions made.

As a guarantee, we have outlined our human rights expectations and labour standards in our Code of Conduct. These are periodically assessed by our in-house Responsibility team, and third-party auditing partners.

During our B Corp certification process, we gained a new understanding of what it meant to oversee a 'socially compliant' supply chain, and implemented the required policies and processes. That being said, we also knew that to move from mere compliance to concrete positive impact on the lives of the people we work with, we'd need a clear reporting framework and system.

In 2021, we embraced the challenge and appointed a dedicated compliance manager to develop our very own new Supply Chain CSR strategy. We also developed a Responsible Procurement Policy, which incorporates elements of our Supply Chain CSR strategy. Both these efforts are nothing more than a reflection of a very plain truth: any product, at this time in age, can only be manufactured under fair and safe conditions.

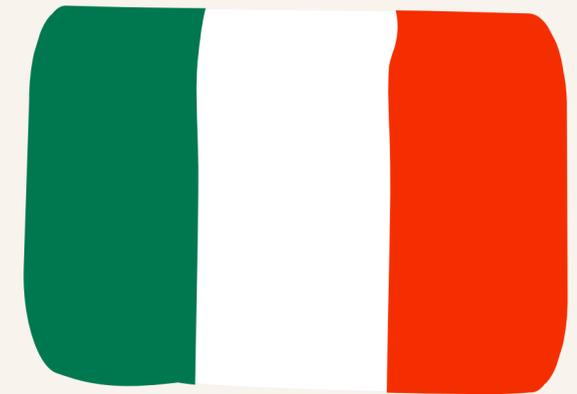
In 2021, we manufactured our frames in the following countries



China 81%



Cambodia 13%



Italy 6%

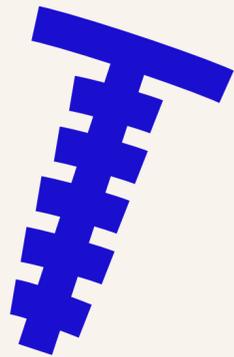
Note: Based on volumes ordered

How we distinguish between our supply chain partners



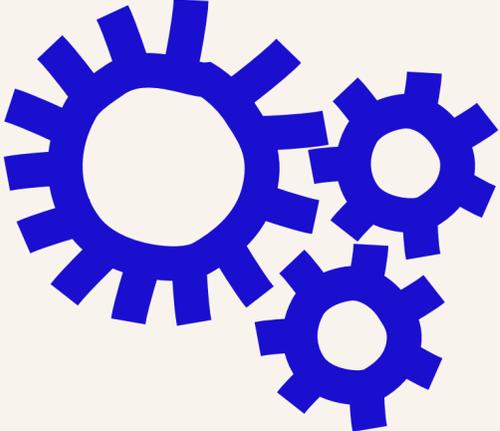
Tier 1

Final product assembly or manufacturing.
85% of our Tier 1 suppliers have undergone an Ethical Audit (SA8000, SMETA or equivalent)



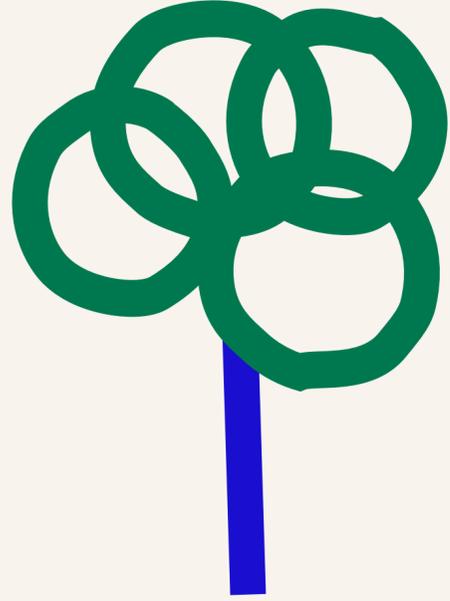
Tier 2

Material and/or component production



Tier 3

Raw material processing



Tier 4

Raw material extraction

1.B Upholding labour standards

100%  Ensure compliance with our code of conduct by all Tier 1 suppliers

Our Code of Conduct has been signed by all our eyewear and key accessories manufacturers. The document itself articulates our values and lays out our expectations as to our business partners. It reflects our deference to universally recognised standards, such as the core labour conventions of the International Labour Organisation (ILO), the OECD Guidelines and the 10 UN Guiding Principles on Business and Human Rights.

We introduced our Code of Conduct in 2018, and have been updating it ever since. In the months and years ahead, we aim for all our suppliers to comply with the Code — starting in 2022 with Tier 2.

40%  Implement a grievance process for our Tier 1 suppliers

In 2021, we enlisted People Intouch to implement an internal corporate and supply chain grievance process. People Intouch offers a safe, anonymous and user-friendly reporting tool for suspected misconduct, so anyone can raise concerns without fear of reprisal. As of June 2022, our key Tier 1 suppliers had agreed to the mechanism and started communicating it to their employees.

50%  Update and publish our Modern Slavery Act Statement

We're committed to promoting safe working conditions and protecting human rights, and seek to expand our work in these areas. Our Modern Slavery Act Statement is based on recognised standards by the Ethical Training Initiative framework. An update will be published in 2022, and provide us with a new foundation for further action.

100%  Update our Child Labour Due Diligence Act Statement

In May 2019, the Dutch Senate adopted the Child Labour Due Diligence Act, obliging any company to investigate whether its goods or services are being produced via child labor, and to prevent child labor across its supply chain. Our Child Labour Due Diligence Act Statement can be found [here](#), and is revised annually.



1.C Guaranteeing traceability

100%  Implement a Responsible Procurement Policy

In 2021, we set up a hybrid workforce, composed of members from the Product Development, Sourcing, Buying, and Social and Environmental Responsibility and Quality teams, to develop a new responsible procurement strategy with the objective to ensure compliance and traceability of new Tier suppliers and products.

When considering a new Tier 1 supplier, our team runs a risk evaluation and assessment, to evaluate the level of compliance with our standards. If these results are positive, and the Code of Conduct has been signed off, we onboard suppliers and bring them in on our:

- Training Code of Conduct
- Ethical and Environmental Audits and Corrective Action Plans (note: externally validated)
- Grievance Process
- Vendor Balanced Scorecards

Below you'll find an overview of our current CSR policy, by supplier type. In 2022, we will be working on expanding our Tier 1 achievements to our other suppliers.

Tier 1

Risk assessment, Screening, CoC compliance and training, ISO14001, SA8000 or equivalent mandatory, full transparency and Bi-annual Vendor Balance Scorecards

Tier 2

Visibility, Supplier Screening, CoC compliance, ISO14001, SA8000 or equivalent preferred, transparency preferred

Tier 3

Visibility and ISO certifications for key suppliers

80%  Ensure total visibility of our Tier 2 suppliers

In the past year, we have focused our transparency efforts on our core products: our frames. In the months ahead, we wish to move onto tackling our other products' (accessories, packaging etc.) making.

In regards to our frames, we are always in direct contact with our manufacturing partners, implying full visibility. Our Tier 1 suppliers are located in the following countries:

	China	5
	The Netherlands	1
	Cambodia	1
	Italy	1
	Hungary	1

(This includes our two lens edging partners in Hungary and the Netherlands).

From tiny screws to silicone nose pads, a pair of glasses has many components beside its frame. These are supplied by our Tier 2 partners, often in close proximity to the factories we work with. In 2021, we started mapping these out, reaching 77% T2 visibility.

Below is where you can find our Tier 2 component and material suppliers:



Frames component suppliers

Germany	1
Italy	6
China	18
Poland	1
Malaysia	1

(This includes lens materials of T1 edgers in Hungary and the Netherlands)



1.D Monitoring & managing the supply chain

100%  Monitor Tier 1 eyewear suppliers via VBS by end 2021

Our auditing standards and requirements are outlined in our Code of Conduct, following the International Labour Organisation's (ILO) standards on Human Rights. It is monitored and assessed by third-party auditing partners, as well as our Vendor Balanced Scorecards (VBS).

Introduced in 2020, they track our suppliers' performance via quarterly assessments and meetings. This year, we were able to consolidate a full overview of their performance, for the very first time. We integrated these insights into our new supply chain CSR strategy.

The VBS measures performance on these 7 topics:

- ↳ Legal Compliance
- ↳ Social Impact
- ↳ Delivery
- ↳ Quality
- ↳ Communication
- ↳ Environment
- ↳ Development

Moving forward, we will report on results twice a year and develop new accountability measures, in discussion with our partners.



Here's what we'll be doing next, to strengthen our supply chain CSR practices:

Build on our previous efforts to guarantee our standards on work conditions and human rights are upheld

Publish our Supply Chain CSR policy in 2022, addressing our sourcing and procurement practices, policy engagement, and the monitoring of supplier performance

Align with a credible multi-stakeholder initiative (MSI) focused on social responsibility to take the work we've achieved one step further

Report on the grievance process and develop corrective actions in case of non-compliance

Continue mapping out our supply chain to achieve full visibility of Tier 2 suppliers (component/ raw-material level)

Establish Vendor Balanced Scorecards as the baseline for supplier performance tracking and set goals with key partners to improve performance, all in 2022



2

Nurturing our work culture

100%  Kick off a new People Strategy

As we made our way to B Corp, it became evident the 'people' factor of the certification process would ask our utmost attention, starting 2021.

Clearly, there was room for improvement in terms of how we supported our teams. On this premise, we recruited a new VP of People in charge of spearheading a new People Strategy.

Here's what the new VP and her team have already accomplished, since August 2021:

- **Improved workplace flexibility**, introducing hybrid working, for employees to combine home and office work as they see fit.
- **Defined employer value proposition**, clarifying what makes Ace & Tate an employer of choice, and identifying avenues to communicate this to potential new employees.
- **Initiated a salary benchmarking and review process**, ensuring salaries are in line with relevant roles in the market and equitable across all employees
- **Revised our speak-up process with People Intouch**, helping employees report any unacceptable event anonymously. People Intouch .
- **Introduced a new tool for wellbeing with OpenUp**, preserving the physical and mental health of our teams.

Code of Ethics

Our Code of Ethics is a guide of values and principles that helps us deliver on our work with integrity, day in day out. It provides guidance on interactions with people in- and outside Ace & Tate, and includes our Speak-Up and Anti-Bribery & Corruption policies. It is revised on an annual basis and part of our Employee Handbook.

Employee satisfaction

The actions described in this section are the direct result of our employee satisfaction surveys, conducted quarterly, and essential to evaluating wellbeing in the workplace.

100%  Refresh the Culture Club and support team members in their beneficent causes

Our Culture Club is an internal Ace & Tate initiative led by a group of employees, hailing from different teams. They come together to bring our brand values to life, and add little extras to our everyday as employees. Think: hosting guest speakers, organising volleyball tournaments, getting a masseuse in.

In 2021, post-covid, it was time for a refresh. Culture Club 2.0 was born, led by a smaller but very keen number of volunteers.

100%  Build on our Diversity, Equity & Inclusion (DE&I) report to update our vision and establish areas of improvement

We've always made it a point to celebrate diversity and foster a respectful work environment — it goes without saying that both require each and everyone's commitment, to come into effect.

In 2021, to guarantee Ace & Tate and each of its employees live up to this objective, we reached out to external inclusion strategist and advocate Marian Spier, whose work focuses on social impact and cultural change.

She gathered demographic data on employees, and conducted interviews with them across markets. Her findings highlighted where we were at in terms of DE&I and what we should prioritise moving forward, providing us with a solid foundation to rethink our DE&I vision, strategy and future actions.

Vision: DE&I by design

We strive to build an inclusive culture that represents and honours diverse identities. In this regard, we will be taking concrete action to open up our ways of thinking and foster new perspectives, across our company. We will provide equal recognition and opportunities to all colleagues.

Our DE&I goals

- Push diversity in recruitment, to become a fully representative organisation
- Set up an employee onboarding process guaranteeing inclusivity
- Improve accessibility at the workplace, both in our stores and at the office
- Guarantee employees have all the tools and support they need to thrive at Ace & Tate
- Establish new inclusivity practices (eg. Active listening)

Our workforce, in numbers:

60% women, 36% men, 4% non-defining.

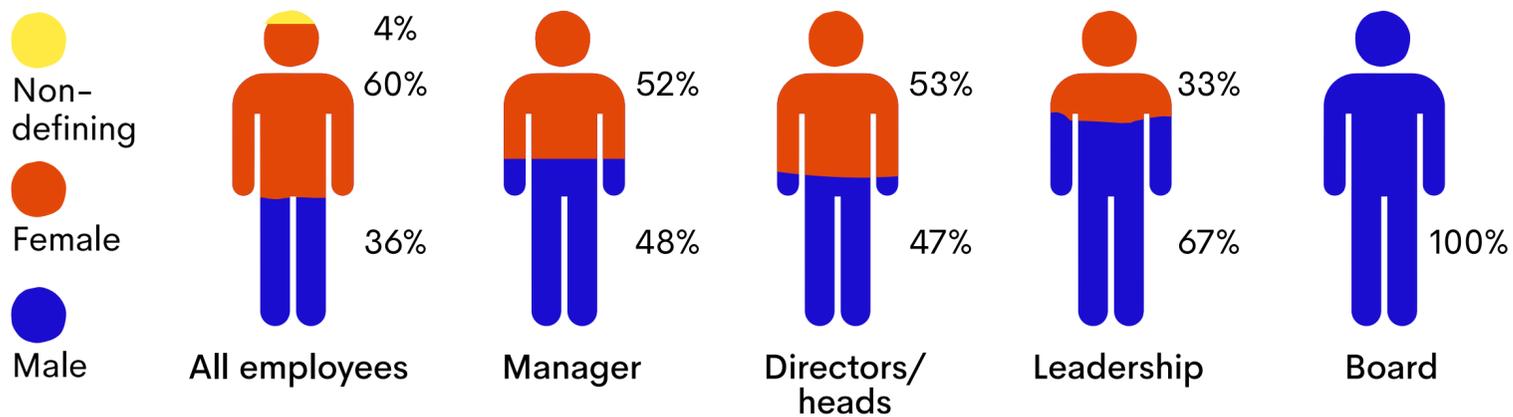
38% of recent ENPS participants self-identify as part of an underrepresented group

56 nationalities.

91.6% of employees feel they can be their authentic selves at work.

83.6% of employees feel they have the same chances as their colleagues at work.

85% of employees perceive Ace & Tate as a diverse company.



Vision: DE&I by design

All Eyes on Pride

For the 2021 Pride Celebrations, we worked with 3 bold and inspiring LGBTQI+ voices to develop a talk series on the issues that impacted their community most. The result? &Talks, a short series of three inspiring episodes — 'Queer Representation', 'Trans Activism', 'Mobilise Yourself' — that you can discover here.

Additionally, our teams also produced an internal digital magazine containing:

A short History of Pride

An overview of Pride in different cities across Europe

A deep dive on the meaning of LGBTQI+ community-related flags

A shortlist of what to watch to understand Pride better: educational podcasts, series, movies, social-media accounts, exhibitions etc.

Proud & Personal: personal accounts of colleagues sharing their personal experience and thoughts on Pride

Here's what we'll be doing next, to strengthen our DE&I engagement:

Implement next steps of our DE&I strategy (engage relevant teams, track targets, offer employee and customer feedback opportunities).

Define benefit package that stands for our employer vision.

Establish guidelines for a safe and healthy work environment.

Build on Employee Development programme to support employee growth.

Improve onboarding and training for store staff.

Develop onboarding programme for HQ to include revised HR policies and tools.



3

Engaging our communities and customers

In 2021, we partnered up with Eyes on Ghana to help communities across the world access quality eyewear.

Eyes on Ghana

Eyes on Ghana is a small Dutch foundation providing aid to the St. Theresa Clinic, a rural hospital in Akim-Akro, Ghana. It financially supports the construction and improvement of its eye clinic, through donations from the medical industry and partners like Ace & Tate. The 600+ glasses we donated last year will be used as opticals and post eye surgery protection.

100%  Grow benevolent partnerships to encourage our teams' participation in charitable causes

Since 2020, we're supporting our Amsterdam employees in volunteering up to 20 hours per year at the Voedselbanken.

Voedselbanken (food banks)

In the Netherlands, over 1 million people live in poverty. The Voedselbanken is a volunteer-run foundation that comes in for those who are temporarily unable to meet their households' basic food needs. It partners with businesses, organisations, municipalities and individuals to reduce food insecurity but also wastage. Its Amsterdam branch supports over 1600 families a week.

Customers

80%  Grow a customer-centric culture

Growing a customer-centric culture requires time, effort and dedication from each Ace & Tate employee.

It is our Customer Experience team that knows our customers best. Understands their needs, wishes and challenges, likes and dislikes. More concretely, our CE team started reporting Customer Satisfaction Scores (CSATs) in 2021. Our first result stood at 83%. Early 2022, this figure increased to 90%.

In the months ahead, as a brand and team, we will be building on these positive results and work on mapping out a more seamless customer journey and experience. This will entail implementing a new system for monitoring and collecting customer feedback, that can later be turned into action points.

Here's what we'll be doing next, to strengthen our community engagement:

- Continue to engage in impactful, local or small-scale initiatives, via direct donation or by supporting our employees' efforts
- Extend our customer satisfaction reporting in 2022 by implementing a NPS tool to record people's perception of product and service

8. We're a B Corp.



Now what?

Being a B Corp is not an end point. To the contrary, it impels and inspires us to continue building out our sustainability strategy — which is precisely what we'll be doing in the months ahead, leveraging the decentralised approach to sustainability that got us here.

Since its beginnings, our Responsibility team has sought to engage with the different Ace & Tate departments to define their contribution to our company-wide impact roadmap. It has also implemented a shortlist of 'ethical & responsible governance' pillars and objectives, outlined below.



Ethical & responsible governance

100% █ Lead annual stakeholder research & materiality assessments

In 2021, we conducted a materiality assessment, which refers to the process of identifying, assessing and analysing potential environmental, social and governance issues that could affect a business and/or its stakeholders, and condensing these into a short list of topics that can inform company strategy. We identified our key issues as: product quality and sustainable materials; health; employee wellness and safety; environmental impact management .

100% █ Implement the B Corp roadmap in our way of working

The B Corp certification process sparked interest and generated increased engagement in sustainability, and challenged company priorities.

In 2021, this led to process evolutions in sourcing, product development and supply chain. In 2022, we want to take this up a notch and give each Ace & Tate team measurable goals tied to our overarching sustainability objectives.

75%  Put in place sustainability trainings & company-wide goals

To move ahead and deliver on our responsibility mission, we are aware we need to push awareness and knowledge sharing. Our Culture Club (discussed here), in this regard, organises regular internal events around sustainability specifically. In 2021, for example, it initiated a partnership with Cinetree to host a screening of the film Tomorrow at our HQ.

0%  Be a driver for change — 2021 score: added in 2021

Becoming a B Corp is a stepping stone for using business as a force for good. This means we'll continue to pursue cross-industry collaborations and conversations around impact, push our engagement on the topics outlined in this report, and raise our voice on what matters most to us.

Here's what we'll be doing next, to strengthen our ethical & responsible governance mechanisms:

Constitute an Ace & Tate Responsibility Board, appointing sustainability representatives in each team

Lead annual stakeholder research and materiality assessments, to monitor opinion on our efforts and evaluate changes in perception

Implement a manager training on sustainability

Develop a 'Responsible Actions Playbook', a handbook for Responsibility at Ace & Tate

Participate in cooperative initiatives on relevant social and environmental industry standards by 2023

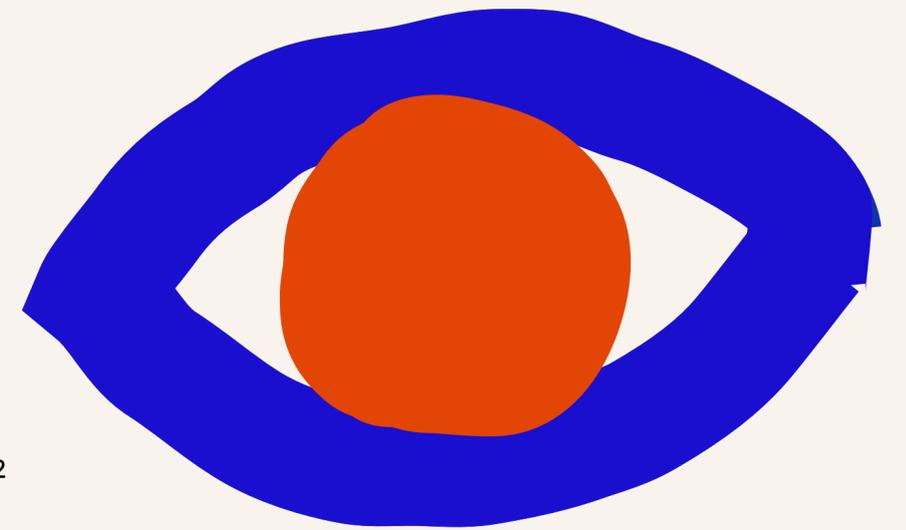
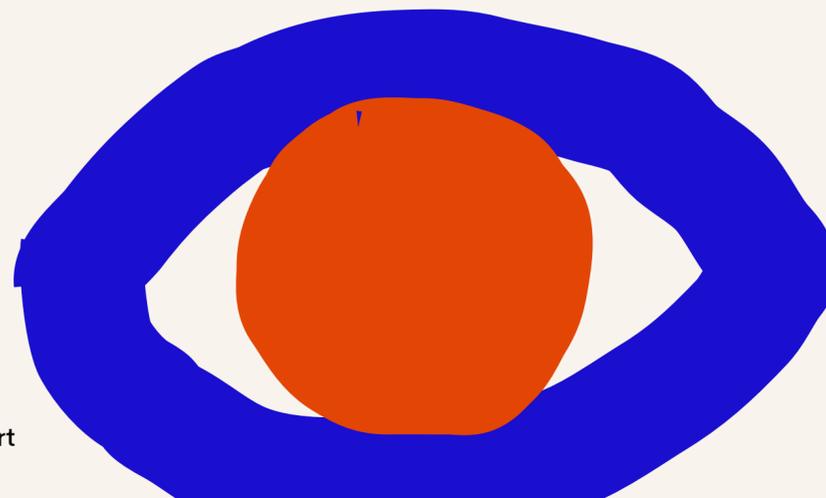
That's about it for 2021

That's about it for 2021!

A lot to take in? You can always head back to (page 3) for a consolidated overview of what we achieved in the past year.

As for 2022 and beyond, you'll find our Action Plan and detailed objectives right below.

We hope it's all clear, and are happy to answer any additional questions you may have (at responsibility@aceandtate.com).



9. Our Action Plan for 2022 & beyond

We make a physical product

1) Reducing our carbon emissions

- Set up a new Climate Technology tool in 2022, to help us identify specific areas of improvement, focus our abatement efforts and model impact scenarios
- Define both near- and long term science-based targets to align with the Net-Zero Standard
- Set new targets to reduce emissions per product, relative to our annual expected growth.
- Work towards sharing more detailed product footprint descriptions, as well as other impact-related product data.
- Launch Adyen Giving as a standard option at checkout when purchasing online, to expand its impact
- Revise and relaunch our Corporate Travel Policy
- Explore inseting, an alternative approach to offsetting which reduces emissions directly within the value chain, by working in close collaboration with our key suppliers
- Focus on our downstream logistics' impact, investigating last-mile delivery options
- Receive and integrate industry-wide use phase research to establish our footprint at this stage

2) Aiming for best-quality

- Build out the product development process for our expanding portfolio, to ensure new and existing products are always up to our standards

3) Sourcing & producing responsibly

- Take responsible sourcing a step further. First, developing an internal R&D tool that allows us to model each product's footprint. Second, implementing a Product Life Cycle Management Tool to report progress.
- Expand sourcing alternatives to increase proportion of recycled material in each frame
- Introduce acetate Renew in 2022, an acetate with a 50% lower carbon footprint.
- Finish development and test improved reusable envelope in key markets by 2023
- Run first trials to explore less wasteful alternatives to the traditional milling of acetate frames

4) Exploring circularity and innovation

- Launch first entirely circular product by 2022
- Scale up partnership with TU Delft, recycling a first batch of donated end-of-life frames
- Continue optimising demo lenses' supply chain and recycling
- Revisit the Reframe initiative, integrating the care, repair, reuse, recycling stages

We have brick-and-mortar stores

1) Minimising the store's operational impact

- Roll out store CO2-emissions efficiency and reduction measures, and train store staff on new behaviours to adopt
- Train store managers to further engage them on waste generation and water usage measures
- Track average annual energy-efficiency performance on store level
- Reduce retail dependency on natural gas

2) Designing stores responsibly

- Develop and start implementing Responsible Retail Concept 2.0.
- Use circular materials from our own innovation projects in our retail projects
- Continue exploring ways for improved efficiency and reduced impact through store fit-outs and retro-fits

We run a global business

1) Advocating responsibility across our supply chain

- Build on our previous efforts to guarantee our standards on work conditions and human rights are upheld
- Publish our Supply Chain CSR policy in 2022, addressing our sourcing and procurement practices, policy engagement, and the monitoring of supplier performance
- Align with a credible multi-stakeholder initiative (MSI) focused on social responsibility to take the work we've achieved one step further
- Report on the grievance process and develop corrective actions in case of non-compliance
- Continue mapping out our supply chain to achieve full visibility of Tier 2 suppliers (component/ raw-material level)
- Establish Vendor Balanced Scorecards as the baseline for supplier performance tracking and set goals with key partners to improve performance, all in 2022.

2) Nurturing our work culture

- Implement next steps of our DE&I strategy (engage relevant teams, track targets, offer employee and customer feedback opportunities)
- Define benefit package that stands for our employer vision
- Establish guidelines for a safe and healthy work environment
- Build on Employee Development programme to support employee growth

3) Engaging our communities and customers

- Continue to engage in impactful, local or small-scale initiatives, via direct donation or by supporting our employees' efforts
- Extend our customer satisfaction reporting in 2022 by implementing a NPS tool to record people's perception of product and service



**And we're
a B Corp**

Ethical & responsible governance

- Constitute an Ace & Tate Responsibility Board, appointing sustainability representatives in each team
- Lead annual stakeholder research and materiality assessments, to monitor opinion on our efforts and evaluate changes in perception
- Implement a manager training on sustainability
- Develop a 'Responsible Actions Playbook', a handbook for Responsibility at Ace & Tate
- Participate in cooperative initiatives on relevant social and environmental industry standards by 2023

Glossary

We've tried to do away with the eyewear and sustainability jargon throughout this entire report, but there are some notions we just couldn't do without. We're sharing their clear definitions below, for you to understand what they mean and why they're important.

Acetate

Acetate is a human-made, semi-synthetic material. Conventional, "virgin" acetate is a combination of 70% cellulose acetate (made of wood pulp, fossil-based ingredients and acids) and 30% plasticisers, which are commonly fossil-fuel derived. This material is then spun into fibres or acetate granules and can be mixed with colour pigments, before being hardened into sheets or moulded into shapes — to form the plastic we call acetate.

Bio-based plastic

Bio plastics are plastics manufactured from bio-based polymers. They are increasingly relevant as a circular alternative to regular plastic. Indeed, they have a lower carbon footprint and advantageous material properties; they can be compatible with existing recycling streams and some are biodegradable at end-of-life. That being said, these benefits come with trade-offs, including competition with food production, unclear end-of-life management and higher production costs.

Absolute emissions
Absolute reductions refer to the reduction in total emissions, as opposed to relative reductions or intensity targets.

B Corp

B Corp is a certification destined to for-profit companies, managed by B Lab, a global nonprofit network. B Corp assessment and certification are focussed on social and environmental performance, as well as the implementation of accountability and transparency measures.

Code of Ethics

Outlines the core values and ethical prerequisites a company stands by in its business operations.

Carbon Neutral

To be carbon neutral or achieve carbon neutrality, means to balance out carbon emissions and absorption from the atmosphere.

Cradle-to-grave

A 'Cradle-to-grave' Life Cycle Assessment considers impact at each stage of a product's life-cycle — from natural resource extraction to each subsequent stage of manufacturing, transportation, product use, and ultimately, disposal.

Edging & mounting

Edging and mounting refers to the process of integrating prescription lenses into a frame: edging the lens in its' shape and mounting it in the frame.

Greenhouse gas emissions (GHG)

Greenhouse gas emissions are gas emissions from human activities, strengthening the greenhouse effect and therefore contributing to climate change. There are four main greenhouse gases: carbon dioxide, methane, nitrous oxide and water vapour.

International Labour Organisation (ILO)

The International Labour Organisation is a United Nations Agency that upholds international labour standards, and sets the framework for global social and economic justice in the work environment.

Materiality assessment

Materiality Assessment refers to the process of identifying, assessing and analysing potential environmental, social and governance issues that could affect a business and/or its stakeholders, and condensing these into a short list of topics that can inform company strategy.

Intensity target

Akin to absolute targets, intensity targets refer to emission reduction objectives. An intensity target is defined by a reduction in emissions relative to a specific business metric (e.g., kg CO₂e per product produced).

Insetting

Insetting refers to a company offsetting its emissions at any step within its own value chain. In contrast to a typical carbon offset project, emissions are avoided, reduced or sequestered upstream or downstream within the company's own sequence of activities (e.g. by investing in renewable energy and regenerative agriculture).

Net-zero

Reaching net-zero emissions for a company means achieving a state in which the activities of a company result in no net impact on the climate from greenhouse gas emissions. This is achieved by reducing value-chain greenhouse gas emissions, in line with the 1.5°C pathways laid out by the Paris Agreement, and by compensating any remaining greenhouse gas emissions' impact with an equivalent amount of carbon removals. (Source: Science Based Targets Initiative).

Non-renewable resources

Non-renewable resources (materials or energy) are the ones that cannot be readily replaced by natural means at a pace quick enough to keep up with its consumption. Most non-renewable energy sources are fossil fuels.

Offsetting

Offsetting refers to one way of taking responsibility for emissions and investing in the transition to a low-carbon economy to compensate. This can, for example, be done by purchasing carbon credits or investing in sustainable forestry, tree-planting and renewable energy. In general, one credit or offset would eliminate a metric tonne of greenhouse gas emissions.

Polymer

A polymer is a substance or material consisting of very large molecules called macromolecules, composed of many repeating subunits of molecules. Due to their broad spectrum of properties, both synthetic and natural polymers have come to play essential roles in everyday life. Wool, cotton and cellulose are natural polymers. Nylon, polyethylene and polyester are synthetic polymers.

Plastics

Plastics are a wide range of synthetic or semi-synthetic polymers made from oil or petroleum through the use of chemicals and condensation. There are two groups of plastics: thermoplastics and thermosets. Thermoplastics become soft upon heating, which implies they can be melted again and reshaped. These are the plastics that can be recycled. Thermosets, on the other hand, can't be melted once they've been produced.

Recycled plastic

Recycled plastic is created by reprocessing waste plastic into a new material. The environmental impact of recycled plastic is typically lower than that of 'virgin', conventional, plastic.

Science Based Targets initiative (SBTi)

The Science Based Targets initiative provides businesses with a clear view on the scope and speed at which they need to reduce their GHG emissions.

Traceability

Traceability refers to the quality of having an origin or course of development that may be found or followed. It entails full knowledge of where and how every single part of a product is made (Source: Oxford Dictionary).

Sustainable Development Goals (SDGs)

The UN's Sustainable Development Goals are a collection of 17 interlinked global goals designed to form a "blueprint to achieve a better and more sustainable future for all and the world by 2030".

United Nations Guiding Principles on Business and Human Rights (UNGPs)

The UNGP is an instrument consisting of 31 principles implementing the United Nations' "Protect, Respect and Remedy" framework addressing business' impact on human rights, and its responsibility in their enforcement. It applies to both states and public and private enterprises.

Virgin plastic

Virgin plastic, are plastics, 'polymers', in their purest form — i.e. to which no fillers have been added. Most often, fillers are of non-recycled, fossil-fuel origin.

Thank you!