

Sustainability Policy

This Policy applies to AAC Têxteis, S.A. and ATELIER R&D, LDA. (also known as CAAP Studio), both of which are headquartered at Rua de Roederstein, Lote 4, Vilarinho das Cambas, 4760-774 Vila Nova de Famalicão, Portugal.

Throughout this Policy, “AAC Group” refers collectively to these two companies.

Introduction

AAC Group recognises that as a manufacturer, it is directly responsible for causing harm to the environment and is totally committed to reducing this impact at every possible opportunity. The unprecedented environmental crisis we, as a global society, are facing, requires radical collective action and AAC’s approach to being part of the solution, relies on an overarching focus on kindness to both the environment and people. As a business, the company’s economic performance, interests and desires are hugely important, but that does not have to be at odds with a business conduct that values the common good and promotes prosocial behaviour. This Sustainability Policy outlines those fundamental principles that underpin AAC Group’s efforts to reduce the impact it has, create a fairer society and enact positive change.

AAC is committed to integrating environmental, social and governance principles into its decision-making processes, promoting sustainable value creation for customers, employees, suppliers, communities and other stakeholders.

Environment

- To contribute to climate change mitigation through the efficient use of energy, the promotion of renewable energy sources and the progressive reduction of greenhouse gas emissions associated with its operations.
- To promote the efficient use of natural resources through the reduction of water consumption, waste generation and resource use across operations and the value chain.
- To collect, monitor and evaluate relevant environmental data in order to support decision-making, transparency and continuous improvement.
- To identify and promote opportunities for greater circularity, resource efficiency and material recovery across the value chain.
- To establish and strengthen partnerships with organisations and stakeholders that contribute to positive environmental change.

People

- To create, promote and reinforce an organisational culture based on compassion, empathy, awareness and trust, providing a safe, supportive and healthy working environment in which all people are treated with dignity and respect.
- To respect internationally recognised human rights principles and promote their implementation throughout the value chain.
- To identify, assess and address potential social and human rights risks associated with AAC’s operations, value chain and business relationships, within its scope of influence.

- To be held completely accountable to guaranteeing those commitments outlined in the Code of Ethics and Conduct, whether that be: the promises of equality and anti-discrimination; absolute rejection of child, forced or compulsory labour; or assurance of the freedom of association and right to collective bargaining.
- To take appropriate measures to protect the health, safety and physical, psychological and social well-being of employees, subcontractors, customers and visitors through regular risk assessments, prevention and mitigation planning, emergency preparedness and contingency planning.
- To provide a remuneration system that, at the very least, provides a living wage (the minimum income necessary for a worker to meet their basic needs) and respects minimum wage law, as well as normal working hours in accordance with Portuguese law.
- To provide employees with training and awareness on sustainability, ethics and compliance and to support the development of relevant competencies.
- To promote ethical conduct and provide employees and business partners with clear principles and appropriate mechanisms to support responsible decision-making, based on honesty, transparency and mutual trust.
- To foster an open and inclusive working environment that respects and values diversity.
- To provide employees with opportunities and appropriate conditions for continued personal and professional development.
- To regularly review organisational systems and practices and identify opportunities to improve employees' work-life balance, health and well-being.
- To facilitate inclusive communication, ensuring that relevant voices are heard and that employees have the information and opportunities needed to contribute to appropriate company decisions and the continuous improvement of business processes.
- To maintain accessible and effective grievance mechanisms that allow employees and external stakeholders to raise concerns safely and without fear of retaliation.

Product & Services

- To ensure a consistent level of excellence in the quality of the products and services offered to all customers.
- To reduce the environmental impacts of products by encouraging ecodesign principles that support durability, resource efficiency, reparability and circularity, whenever technically and commercially feasible.
- To provide customers with viable, more sustainable product and material options that support responsible design choices and help reduce the environmental impacts of their collections.
- To engage suppliers and business partners in the continuous improvement of environmental, social and ethical performance throughout the value chain.
- To progressively improve traceability and transparency across the value chain, supporting customers in meeting sustainability and regulatory requirements.
- To invest in appropriate technologies that support improvements in product quality, process efficiency, resource efficiency and environmental performance.
- To ensure responsible chemical management through compliance with applicable regulations, the promotion of safer alternatives and alignment with recognised industry frameworks, including the ZDHC Manufacturing Restricted Substances List (MRSL).

Governance

AAC is committed to conducting its business ethically and transparently, complying with applicable legal and regulatory requirements, continuously improving its sustainability performance, and periodically reviewing relevant sustainability objectives, risks, opportunities and stakeholder expectations.

Sustainability considerations will be integrated into relevant business processes and regularly reviewed through the Management System.

This Sustainability Policy is supported by AAC's Code of Ethics and Conduct and other relevant policies and procedures.

Contacts:

To support transparency, accountability and compliance with applicable social responsibility requirements, AAC Group makes the following external contacts available to employees and relevant stakeholders.

These contacts may be used to report concerns related to social accountability, workers' rights, ethical conduct, or compliance with SA8000 requirements when internal channels have not provided an adequate resolution, or when an individual considers independent review to be more appropriate.

SAAS - Social Accountability Accreditation Services: Tel: 212-391-2106; Email: saas@saasaccreditation.org

SGS - Sociedade Geral de Superintendência: Tel: 808 200 747; Email: sa8000@sgs.com