

Acne Studios

Responsible Business Conduct Policy

FY 2023/2024



Responsible Business Conduct

The mission of Acne Studios is to be a progressive fashion house, significant for our times. To align with our mission, we must be courageous and creative within the planetary boundaries. It means sustainability is at the core of what we do.

The Acne Studios Responsible Business Conduct Policy captures and reaffirms our commitment to responsible business conduct. It is complementary to our overarching sustainability strategy, our Supplier Code of Conduct and several internal policies including our internal sustainable sourcing policy. It aligns with existing and upcoming legislation on human rights, environmental performance and traceability. This includes, but is not limited to, the Universal Declaration on Human Rights, the International Labor Organization's (ILO) conventions, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

Overall, responsible business conduct means that we commit to conducting social and environmental due diligence in our full value chain and operations. Specifically, we commit to the following:

- To follow the procedures and commitments listed in this Responsible Business Conduct policy.
- To follow the procedures and commitments listed in our Supplier Code of Conduct. We uphold the standards in the Code across our business operations in general, and specifically in relation to suppliers.

These commitments apply to everyone at Acne Studios: employees, directors, members of the board, consultants and freelancers whenever relevant in their tasks and responsibilities. Our board of directors and CEO have overall responsibility for our sustainability strategy, while the sustainability team is responsible for its implementation.

An important aspect of responsible business conduct is human rights due diligence. This is embedded in our business with the following commitments:

- To ensure that those involved in making our products work under fair conditions. As a member of Fair Wear Foundation, the Fair Wear Code of Labour Practices, that is part of our Supplier Code of Conduct, forms the basis of our monitoring and together with our sourcing policy.
- To promote gender equality in our supply chain, as supported by our Supplier Code of Conduct. To do this, we stress equality when implementing programs related to wages and social dialogue.
- To encourage social dialogue and worker representation in our supply chain, as supported by our Supplier Code of Conduct. To do this, we implement worker awareness training and encourage worker representatives to participate during audits and audit follow-up.

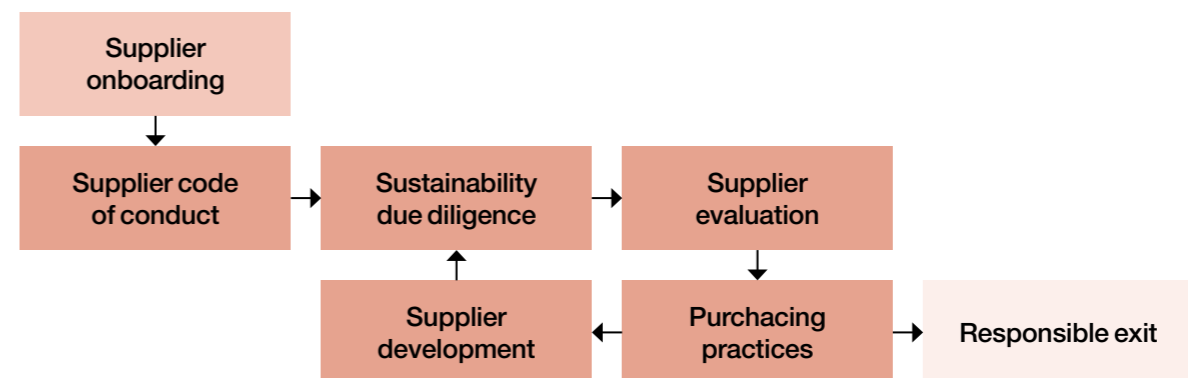
Partnerships

Our suppliers are key to our success; we strive for excellence and want to work with suppliers that share this vision. We aim to be a reliable business partner and want to do business with suppliers that also commit to the highest standards of integrity and conduct business responsibly. By way of dialogue, transparency, and information sharing, we wish to work together with suppliers on sustainability and continuous improvement. To achieve this, we strive to build long-term relationships with our suppliers.

We have defined the below process to structure our sustainability work with suppliers. Our Supplier Code of Conduct forms the basis for the business relationship. This is accompanied by continuous sustainability due diligence and structured supplier evaluations. These evaluations steer our purchasing practices in the right direction, along with projects focused on supplier development. With our purchasing practices, we want to facilitate our suppliers' compliance with labour standards through our sourcing decisions:

- Planning and forecasting: We aim to book materials and plan production capacity as early and spread out as possible, so suppliers have enough time to schedule and produce our orders. Every season starts with a plan that is made in close collaboration with suppliers to align on capacity and timing and ends with a review with suppliers to evaluate if adjustments need to be made.
- Fair Pricing: We support our suppliers by making payments in full and on time and cover costs caused by us. To ensure we pay fair prices for the products we purchase, we encourage our suppliers to engage in transparent product costing.

Our preference is always to source from existing suppliers. When we do start a business relationship with a new supplier, we agree on general purchasing terms related to lead times, delivery, and payments. We also lead new potential suppliers through our sustainability onboarding process to evaluate whether they share our ambitions and values. In rare cases where we must end a business relationship, we do so in line with our exit policy to ensure a fair and transparent settlement for all parties. Both our onboarding process and exit policy are described in our sourcing strategy.



Risk management

As part of our sustainability due diligence, we map human rights and environmental risks related to our business on various levels; country, sector, product and sourcing model. We collect independent, third-party data on human rights and environmental management to map the general risks in our supply chain, such as country reports and input from local stakeholders. On facility level, our onboarding questionnaire and existing third-party audits are used to evaluate risks and monitor progress on human rights and labour standards.

Based on this risk mapping, we schedule audits at our supplier's facilities to monitor progress and offer training to management and workers to further support progress. If needed, further activities are executed, such as more detailed research or projects with our suppliers. These actions are all planned and monitored in our activity plan. All partners are expected to fully cooperate with these activities.

Transparency

We monitor, measure and review our performance against our sustainability strategy yearly via our sustainability report. We ensure progress by setting long term goals and yearly milestones. Our sustainability report is reviewed and approved by KPMG. Our progress on human rights due diligence is checked in our yearly Brand Performance Check by Fair Wear.

We expect transparency from our suppliers and are open towards them. We visit our suppliers regularly and ask them for data. We see other brands that we share suppliers with as partners and aim to cooperate with them in risk identification, mitigation, remediation, and prevention. We also commit to using our position to influence stakeholders and politicians for a more sustainable textile industry, and actively collaborating in several multi-stakeholder initiatives.



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