2025 IMPACT REPORT

Stepping Towards A Sustainable Future

ALDO GROUP

About This Report

The ALDO Group Inc.'s comprehensive 2025 Impact Report is an extensive review of our company's growth trajectory and dedication to sustainability in the past year. As a privately owned Canadian company, we've remained committed to transparency and accountability by sharing and building on our annual CSR brochures since 2018.

As part of our continually evolving mindset and commitment to improvement, we firmly believe that maintaining responsibility and openness with our stakeholders forms the foundation of a diligent and ethical approach. Our 2025 Impact Report intends to share a transparent account of our outlook and actions under our CSR strategy, prioritizing open and honest communication every step of the way. In service of this intent, this report is following the most stringent standards and is reporting with reference to the GRI standard (Global Reporting Initiative).

From February 2, 2025, to January 31, 2026, our 2025 Impact Report details the CSR initiatives we implemented during this period and unveils our long-term strategic vision. This report outlines the CSR data and initiatives of The ALDO Group Inc. across its footwear, handbags, and accessories divisions. It encompasses both owned brands - ALDO and Call It Spring - and licensed third-party brands. The scope includes our corporate stores in North America, Canadian headquarters, distribution centre, and international offices. It also highlights the efforts of our franchise partners and details the standards and practices maintained throughout our global supply chain.

Both available in English and in French, the 2025 Impact Report is an opportunity to highlight through our diverse brands our commitment to our people, our planet and the world we live in, and to share the progress we've made over the years and our learnings from the various challenges we met along our path.

At the ALDO Group, we strive to better the world we inhabit through our actions, charitable giving and the causes we support. Our story is not about short-term success, but about the long-term positive change we can help bring about in the communities we serve. It's a vision we pursue one step at a time. If you have any questions or comments about CSR at the ALDO Group or this Impact Report, please contact us at communications@aldogroup.com.

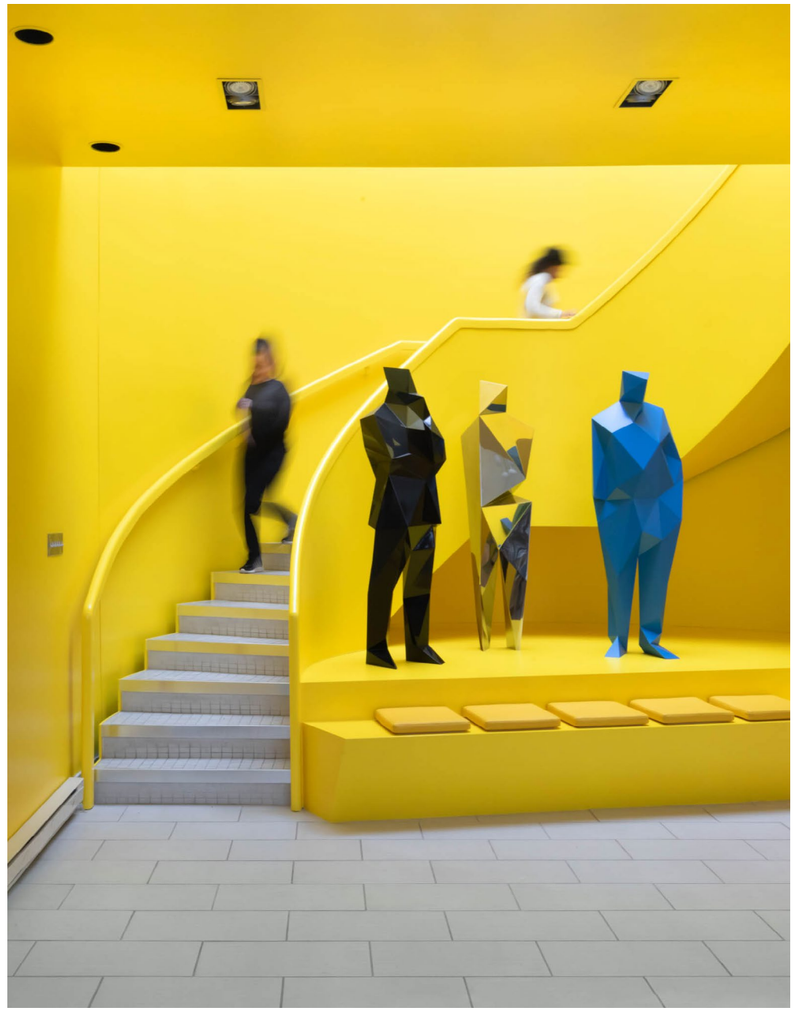


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A letter From Our CEO

AN UNWAVERING COMMITMENT

This past year was one of great challenges but matching resolve. The new tariffs imposed by the U.S. government upended the global trade order, and a storm of uncertainty fell upon our industry overnight. When faced with any storm, the only way out is through, and the response from our teams was nothing short of incredible. Our Sourcing and Supply Chain departments worked tirelessly as plans were drawn up, redrawn, then redrawn again.

The challenge of 2025 left our teams stronger and more motivated than ever, emboldened by their own resilience and ability. Our brands ALDO and Call It Spring are loved around the world – ask anyone working in our ALDO Group International department – and the latest addition to the ALDO Group, Sperry, began to realize its potential and is ready to take off in FY2026. In every corner and pocket of our company, success stories were told and these are important to remember when the overarching narrative casts a long shadow.

The only constant in life is change, especially in fashion. Political movements come and go. They've done so for the 50+ years the ALDO Group has been in business and will continue to as time marches on. Knowing this, we've always been a company that takes a long-term view, and it shows in our unwavering commitment to our values and purpose, and by extension our affairs in the field of corporate social responsibility.

We know we must lower our emissions, and we continue to work on doing so. This year, we launched a new training course about our ambition, our associates' part in it, and how essential it is for our shared planet. Locally, we donated to causes uplifting millions and organizations supporting thousands, all united in their effort to make the world a better place than it was yesterday.

It's with this conviction in mind that we plan beyond the tumultuous now. We trust in our brands and the difference they make for our people, partners, customers, and communities. Similarly, we believe in our CSR commitments, because they are the means to the enduring prosperity of our company as we continue on our journey to create a world of love, confidence and belonging.

DAVID BENSADOUN
Chief Executive Officer

A Letter From Our CSR Representative On The Leadership Team



INSPIRED BY OUR PEOPLE

The past year showed me the strength and resilience of our associates across our value chain, as political turmoil created a myriad of challenges for our teams and sourcing partners around the world. Navigating these obstacles and the uncertainty surrounding them was incredibly difficult, so it was all the more inspiring to see how we all worked together to find solutions under these circumstances.

It was proof of how connected we are, and the responsibility we have to all workers involved in the fabrication of our products. To this end, we further bolstered our Social Compliance program this past year by extending the dissemination of our Vendor Code of Conduct to all main material suppliers. We also implemented our grievance reporting mechanism to five additional sourcing countries so that it now covers 99% of our business volume. The full breadth of our Social Compliance program is detailed in this report.

This year, the ALDO Group made a $375,000 donation to the Two Ten Foundation. This donation is earmarked for its Women in the Footwear Industry (WIFI) initiative, which seeks to support and empower women in our field. Our involvement with Two Ten goes back many years, and it's with great pride we reaffirm our commitment to this essential organization within our industry.

Our partnership with Two Ten goes beyond the monetary. Jonathan Frankel, President of ALDO Product Services, was announced as its new chairman this past year, and two of our leaders joined Two Ten WIFI's Leadership Council. I'm proud of my colleagues who demonstrate such strong commitment and engagement in not only their chosen craft, but in the prosperity of the people we work alongside.

Few things felt settled this past year, but I'm proud to say we remained steadfast in our commitment to being a responsible corporate citizen. Inspired by our people, the ALDO Group remains devoted to being a force for good in the communities we are a part of: at home, abroad, and everywhere in between.

CATHERINE ROSS
Chief People Officer and General Counsel
CSR Representative on the Leadership Team

A Different Kind Of Company

Our company is as unique and diverse as its people, but we're driven by traits we share: our emphasis on innovation, pursuit of excellence, strong work ethic, entrepreneurial spirit, kindness, focus on sustainable actions, and insatiable curiosity. Common to us all is a shared belief in our values: **Love**, **Respect**, and **Integrity**.

Specializing in stylish and accessible footwear and accessories, the ALDO Group has been around for more than 50 years. We operate under two signature brands, ALDO and Call It Spring. We're also an industry-recognized wholesale distributor and third-party sourcing provider of fashion footwear, handbags and accessories. In January 2024, we were proud to sign a licensing agreement for the Sperry brand to oversee its wholesale, eCommerce, and store operations, as well as its global footwear design, production, and distribution in North America, bringing our comprehensive industry expertise to this iconic brand.









Bringing about a better world is a never-ending pursuit, a fact we acknowledge with great humility. Looking back, we stand proud of our mission to be the best fashion footwear and accessories company in the world, and of our wish to help solve growing global challenges.

1972
Our story begins.

1978
First freestanding ALDO store on Saint-Catherine Street in Montreal.

1985
ALDO launches awareness campaign in the fight against AIDS.

1988
Creation of the **CLUB ÉLITE** recognition program.

1991
ALDO opens its **200th store**, and **TRANSIT** is launched, which will later become **Call It Spring**.

1995
First franchise license for the ALDO brand in Israel.

2000
Launch of **ALDO ACCESSORIES**.

2005
First eCommerce transactional websites launch in the U.S. and Canada.

2008
Call It Spring partners with War Child, a non-profit organization helping children affected by armed conflict, raising more than $200,000 over an 8-year period.

2013

The ALDO Group calculates its **carbon footprint** for the first time.

2016

The ALDO Group launches its first **Corporate Social Responsibility strategy**. We participate in Race Across America for **Two Ten Foundation's cancer relief fund**.

2018

The ALDO Group is the first fashion footwear and accessories company in the world to be **certified climate neutral**.

2019

The ALDO Group's science-based targets (SBTi) are approved by the **Science Based Targets initiative**. Call It Spring becomes **100% PETA-Approved Vegan**.

2020

ALDO launches ALDO Love Planet, its first **responsible collection**.

2022

We unveil our updated CSR strategy with our three pillars: People, Planet, and Responsible Business, and we announce our new sustainability journey focus: **striving for Net Zero by 2050**.

2022

The ALDO Group **celebrates 50 years** of being in business.

2024

We become the **operational partner for SPERRY** in North America.

TWO TEN

2025

The ALDO Group pledges a **$375,000 donation** over three years to the Two Ten Footwear Foundation in support of its WIFI initiative.

We've come a long way, but we know that 50 years later, **our journey is just beginning**.

Our Global Footprint

At the ALDO Group, we're obsessed with making a big company feel small – a place that feels more human and casual with everyone closer together, treating each other with kindness and respect. It's a powerful feeling rooted in our values, and it resonates in the work we do and what we build as a team.

When it comes to our unique and diverse culture, there's no need to look any further than the people in our offices and stores worldwide.

FY2025

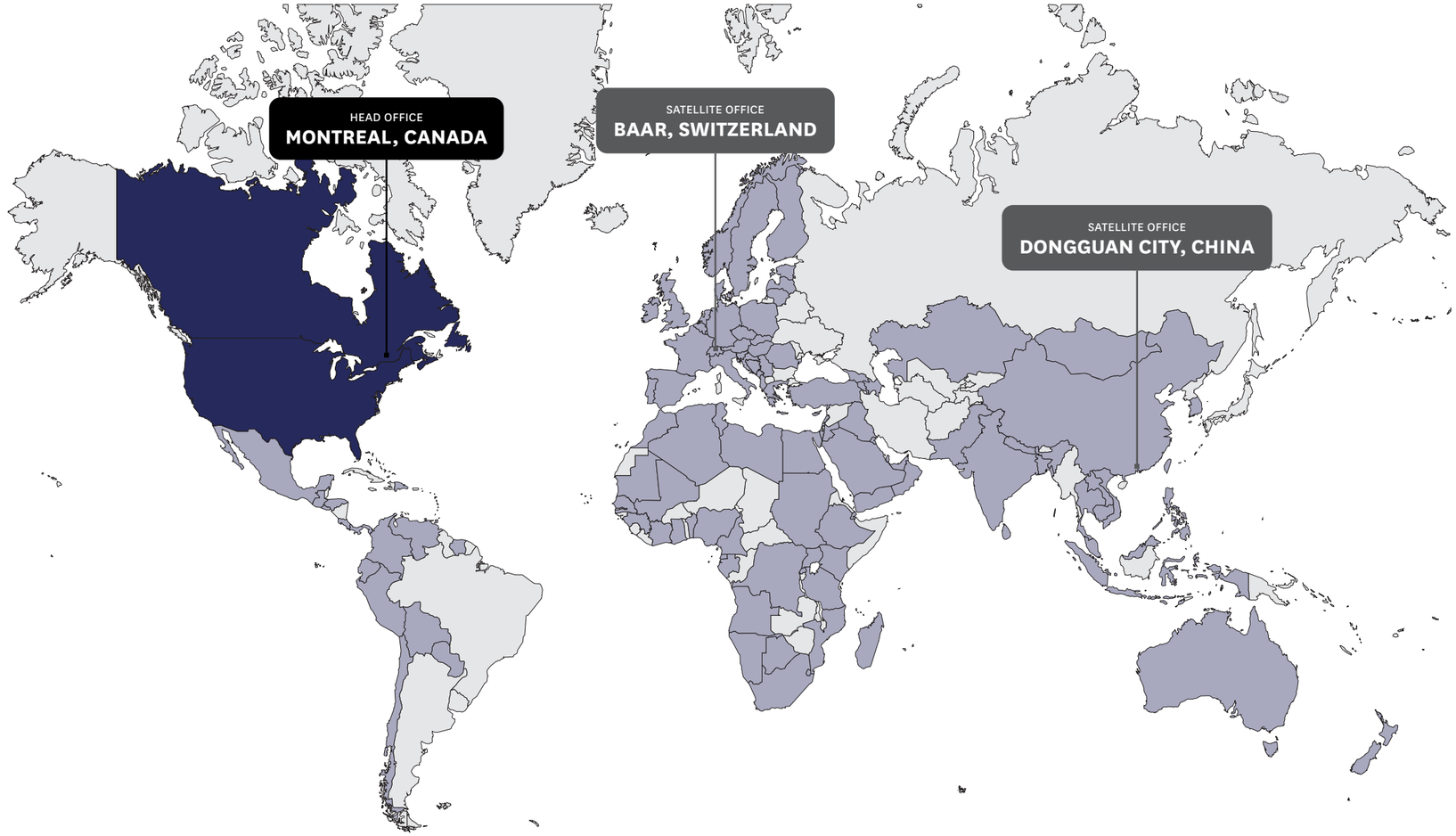
4,295
corporate associates in North America

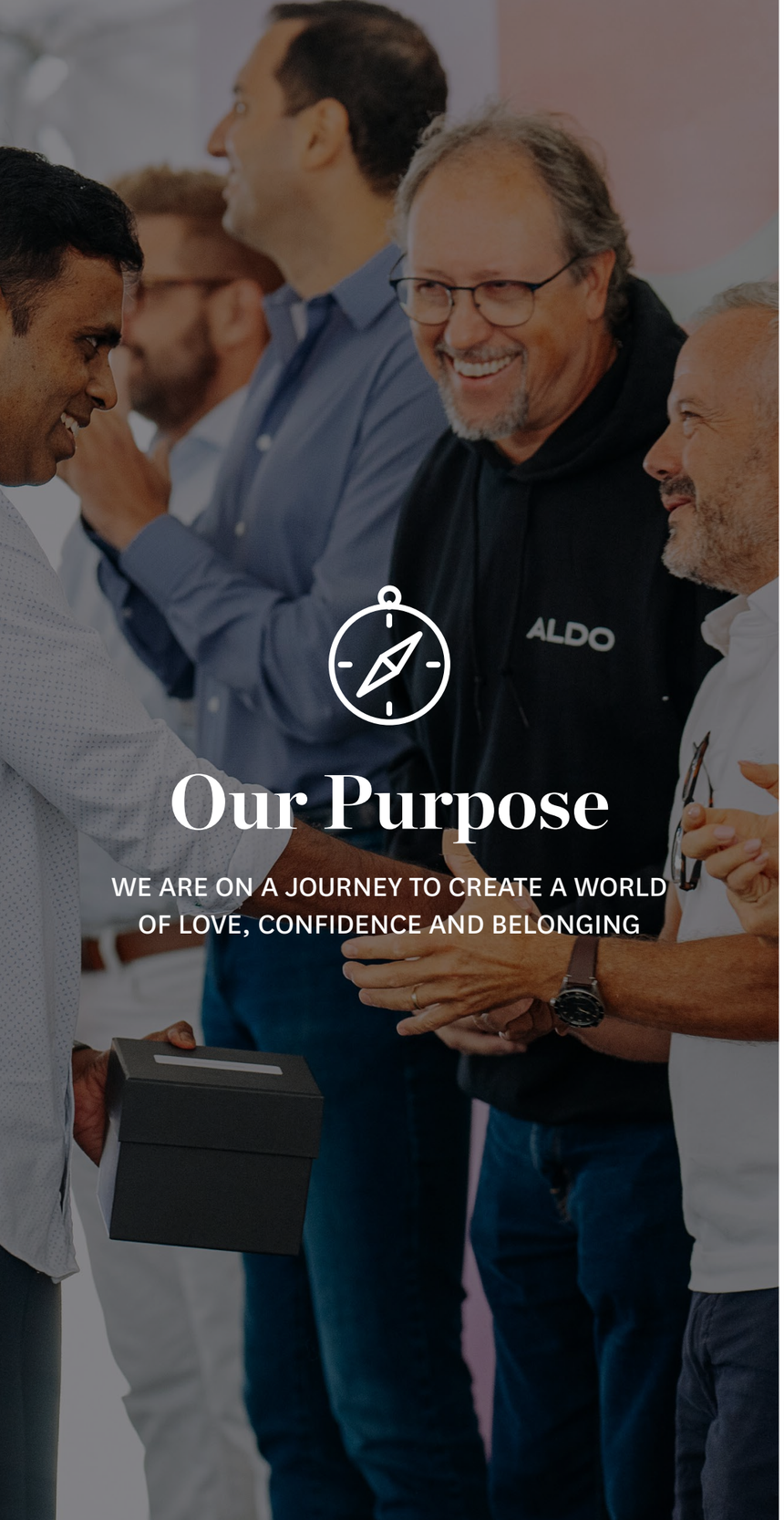
More than
340
stores across North America

4
new corporate stores

Our network now counts more than
1,200
stores in over 90 countries

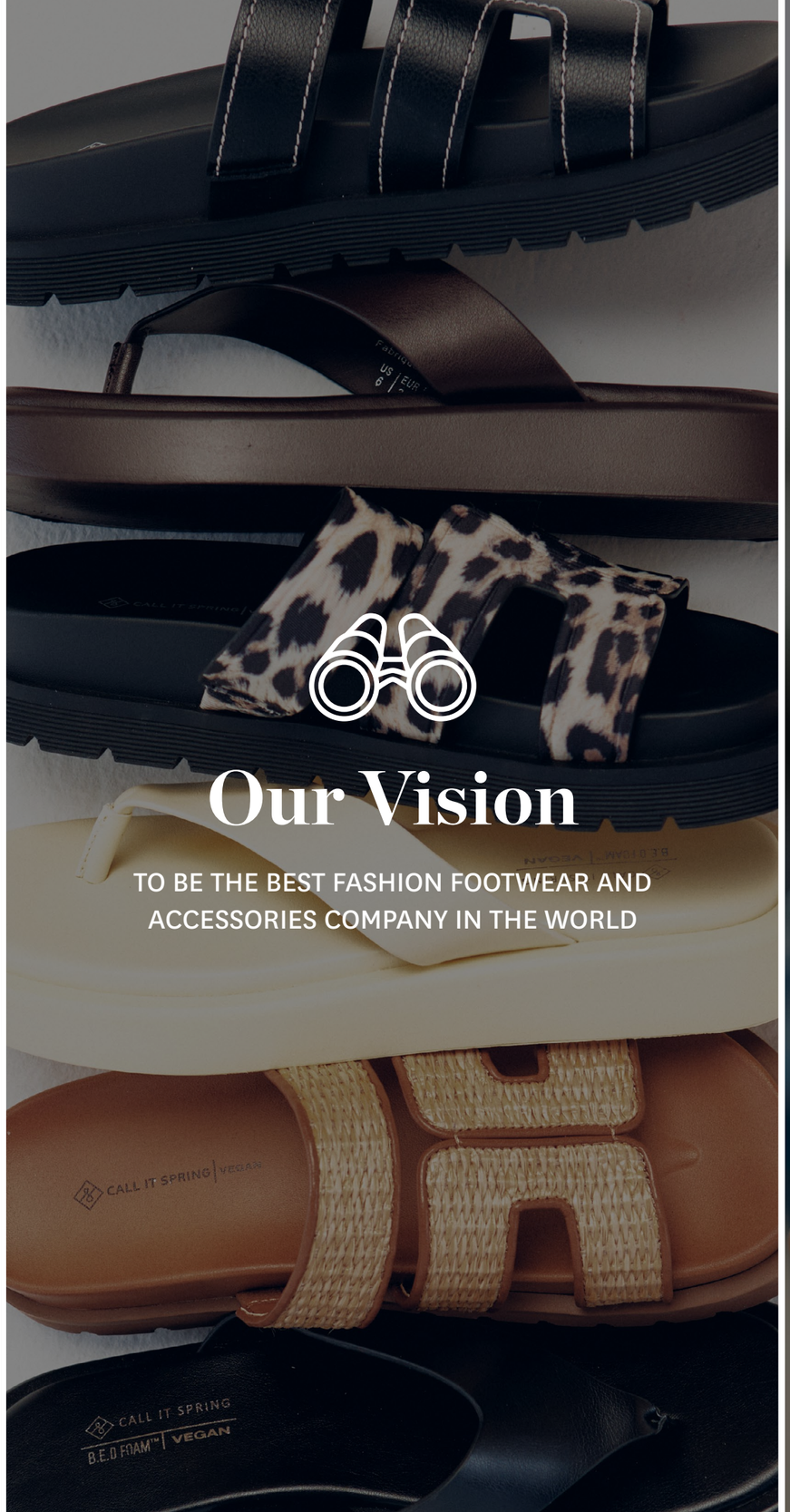
Our online community counts more than
15 M
followers from around the world





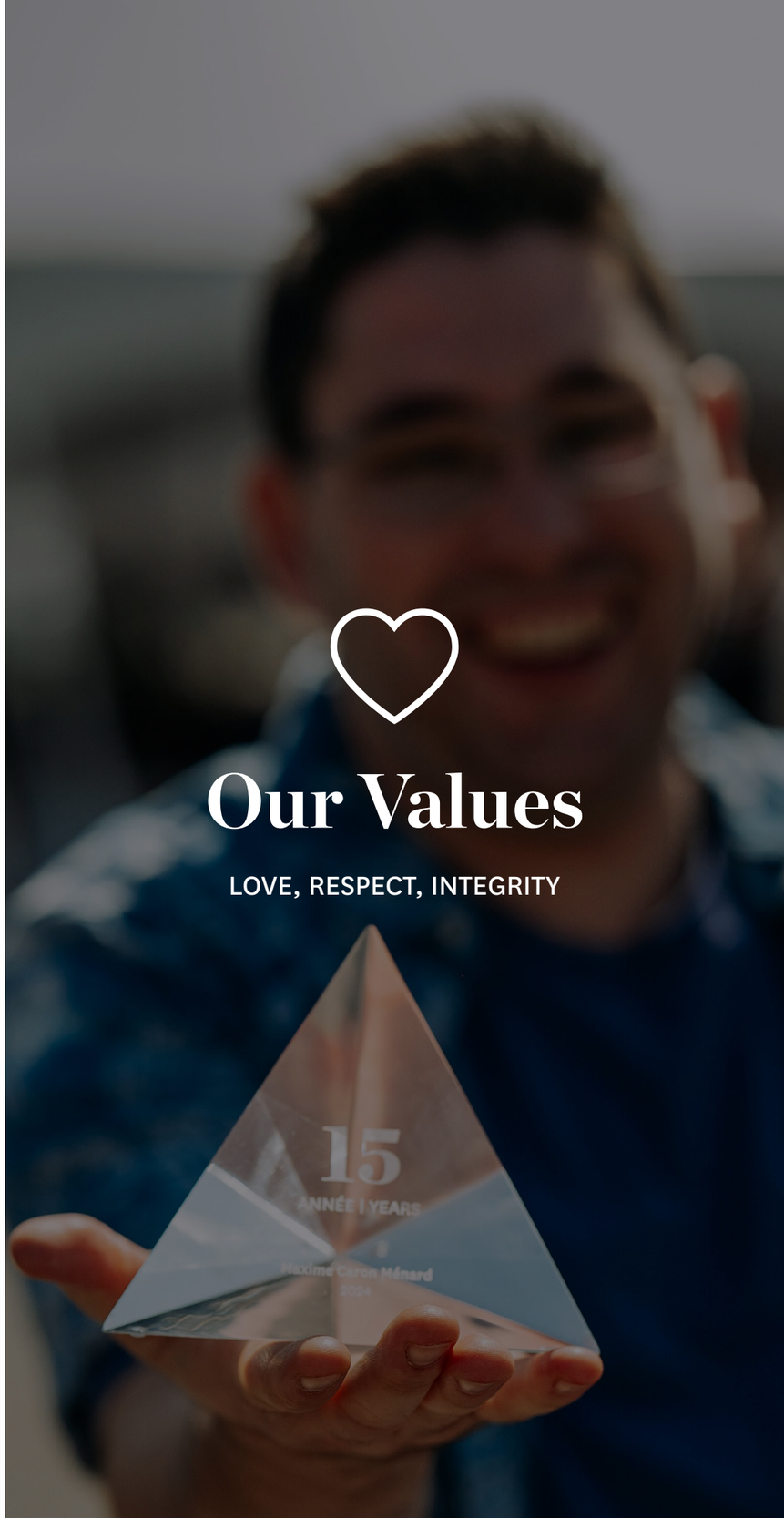
Our Purpose

WE ARE ON A JOURNEY TO CREATE A WORLD OF LOVE, CONFIDENCE AND BELONGING



Our Vision

TO BE THE BEST FASHION FOOTWEAR AND ACCESSORIES COMPANY IN THE WORLD



Our Values

LOVE, RESPECT, INTEGRITY

Our CSR Philosophy

CRAFTING A SUSTAINABLE LEGACY

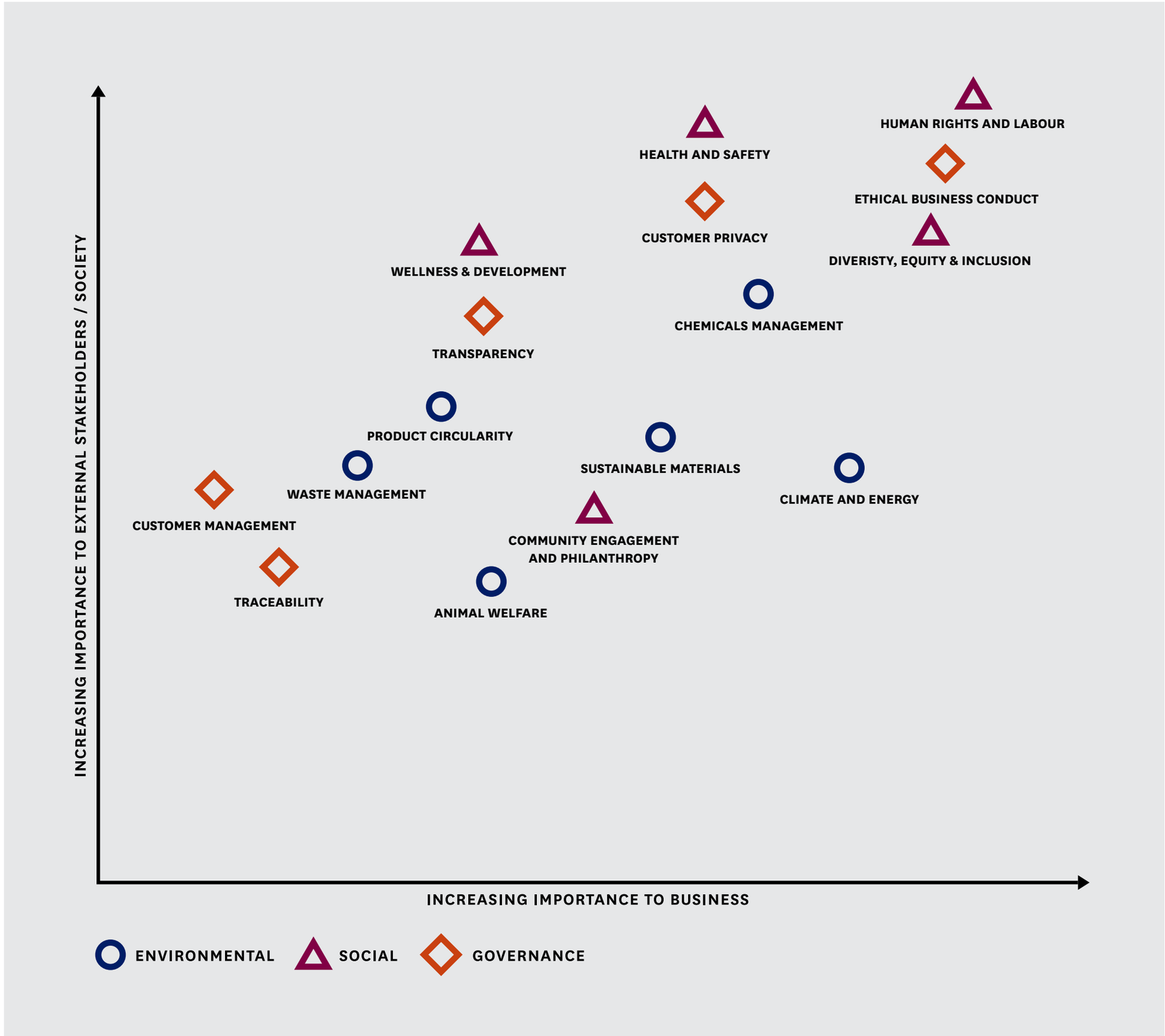
The ALDO Group has a rich history of strong CSR efforts, reflecting our commitment to our people and to the world we live in.

In 2016, we unveiled our first official Corporate Social Responsibility strategy, built on our three pillars at the time: People, Planet, and Partners. This was our way of applying our values and effect concrete change in a world facing evolving social and environmental challenges.

Then, in 2021, we undertook a thorough review of our ESG framework, as well as a materiality assessment canvassing all our stakeholders in order to define three new pillars and eight priorities organized by these pillars. The pillars and their meaning can be found on page 11. In aid of this, we worked with Antithesis Group, a cutting-edge, science-based sustainability consultancy, who provided fresh insights and unbiased perspectives on where the ALDO Group has the most material sustainability impact.

In 2024, to keep our strategy up to date with the ever-evolving ESG landscape, we conducted a comprehensive study with our customers to get their views on sustainability practices and expectations. These insights were instrumental in guiding our CSR initiatives and will continue to do so as we reinforce our commitment to sustainability and responsible business practice.

Key findings show strong customer engagement with ESG topics: over half reviewed brands' sustainability efforts in the past year, nearly 90% are aware of our Net Zero 2050 ambition, and 40% view our performance as better than that of our peers—reinforcing the relevance of our CSR strategy and alignment with customer expectations.





LEARNING FROM RECOGNIZED GLOBAL STANDARDS

In our pursuit of excellence, our journey is one of ongoing learning and growth **aligned with global sustainability standards** such as the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UNSDGs) and the Carbon Disclosure Project (CDP).

As part of our long process of research and assessments with our stakeholders to define our eight-year CSR plan, we also made sure to align our priorities and goals with the recommendations of the recognized associations we are members of, such as the Fashion Pact, Cascale, and the UN Fashion Charter for Climate Action. Our renewed CSR strategy was also validated against these recognized frameworks.

TAKING CONCRETE ACTIONS

The collective effort led to the identification of vital CSR priorities that will guide our initiatives in the coming years, and a forward-looking strategy was devised based on the insights gleaned from this joint endeavour. This strategy outlines the path of our vision for 2022-2030.

The ALDO Group's renewed vision for 2022-2030 stands on **three pillars: People, Planet, and Responsible Business**. Eight priorities have been identified as part of these pillars enabling us to focus our efforts where we can accelerate progress and have a meaningful impact.

To ensure that our CSR strategy would be aligned with and integrated into our global corporate strategies, our renewed vision was discussed with Catherine Ross, Chief People Officer and General Counsel, who serves as CSR Representative on the Leadership Team. Once approved, our CSR strategy was presented to our Chief Executive Officer, David Bensadoun, for his endorsement.

INSPIRE A BETTER TOMORROW FOR EVERYONE.

Our role as a leading corporate citizen comes with important responsibilities toward people and communities, and we are determined in our commitment to continue making a positive difference. Our founder's vision to create a human company, a brand that cares, serves as a legacy that drives us forward in creating an environment where associates can be healthy, happy and productive. We are dedicated to contributing meaningfully to the well-being of our associates and stakeholders, including protecting the workers in our supply chain. Our commitment to do so goes straight back to our values, which continue to propel and inspire all our corporate initiatives.

We pledge to:

- Ensure the well-being of our associates and foster a supportive workplace where everyone feels empowered to be their authentic selves.
- Promote human rights and protect the workers in our supply chain.
- Enrich our communities.

Aligned with the UNSDGs:



CREATE AND SOURCE PRODUCTS WE LOVE WITH POSITIVE INTENT.

Every step from source to store has been thought out with love, respect, and integrity.

We create products with the planet in mind by maximizing our efforts to foster sustainable growth. In recent years, we have explored different innovations, and increased the use of environmentally preferred materials (EPM) in our collections. We know that authentic and far-reaching sustainability is not achieved overnight. While we are progressively rethinking our designs, we are also reviewing the way we source our products and examining our global footprint. Looking ahead, we are dedicated to further optimize the way we create, source, produce, package, move and sell footwear, handbags, and accessories around the world.

We pledge to:

- Reduce our carbon footprint as we strive for Net Zero by 2050.
- Source more responsibly.
- Reduce our waste.

Aligned with the UNSDGs:



INVOLVE EVERYONE TO DRIVE SUSTAINABLE ACTION.

Embracing responsible business practices is not merely a commitment but a journey towards positive impact.

We believe long-term growth goes hand in hand with sustainable action and with a capacity for transformation. We have a set of policies that frame our standards and guide our practices with our associates, vendors, and partners. Through our offering and transparent communication, we intend to enable our customers to make more sustainable choices, while protecting them through rigorous data privacy programs and systems.

We hold ourselves accountable and follow the recognized global frameworks for our business approaches and our programs. We want our progress to be evident and measurable. In our pursuit of corporate social responsibility, and throughout our pathway to creating lasting value and making a difference, we need all stakeholders on board.

We pledge to:

- Act ethically and with integrity.
- Communicate our progress.
- Engage and protect our customers.

Aligned with the UNSDGs:



2025 Key Highlights

100% OF OUR LEATHERS ARE CERTIFIED BY THE LEATHER WORKING GROUP (LWG), AMONG WHICH 98% HAVE A GOLD-LEVEL RATING

$375,000 DONATED BY THE ALDO GROUP TO THE TWO TEN FOUNDATION'S WIFI INITIATIVE

9,000 KG OF PRODUCTS DIVERTED FROM LANDFILL AND GIVEN A SECOND LIFE THROUGH OUR PARTNERSHIP WITH SNEAKER IMPACT IN OUR U.S. STORES

61% OF DIRECTOR-LEVEL POSITIONS OR ABOVE ARE OCCUPIED BY WOMEN

WE LAUNCHED A COMPANY-WIDE TRAINING PATH TO NET ZERO: THE ALDO GROUP'S JOURNEY TO NET ZERO, EDUCATING ASSOCIATES ON OUR COMMITMENT TO REDUCE OUR EMISSIONS

100% OF OUR ASSOCIATES COMPLETED OUR CYBER SECURITY AWARENESS AND TRAINING PROGRAM

WE WERE INCLUDED IN FORBES MAGAZINE'S WORLD'S BEST EMPLOYERS LIST, PLACING 23RD IN THE CLOTHING, SHOES, AND SPORTS EQUIPMENT CATEGORY, AND 67TH ON THE LIST OF TOP COMPANIES FOR WOMEN

People

INSPIRE A BETTER TOMORROW FOR EVERYONE

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FOSTERING A CULTURE OF BELONGING

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SUPPORTING OUR COMMUNITIES

Fostering A Culture of Belonging, Driven By Love, Respect And Integrity

At the ALGO Group, we love, celebrate and elevate all people, everywhere. Everything we do originates and builds from this core principle. Since the very beginning, we have always stood for fairness, belonging, and equal opportunity for all. It has always been tied to our mission, and it forms an integral part of our DNA.

As we aim to foster a supportive work environment, where our associates' views, opinions and experiences are valued, we never take our progress for granted, and every success paves the way to further achievement.

We rely on our comprehensive policies and implement initiatives to follow the best practices of today.

Since 2022, we have focused our efforts on three strategic areas where our actions and influence could drive meaningful impact: Women, BIPOC, and 2SLGBTQAI+. These communities remain essential to our workforce and to the broader society we serve. However, we also recognize that centering our initiatives around a limited set of predefined groups can unintentionally create boundaries rather than foster a true sense of belonging.

In 2025, we shifted toward a more inclusive and holistic approach, one designed to create space for a culture where every associate feels seen, valued, and supported. This evolution reflects our belief that belonging at the ALDO Group should not be tied to a label, but rooted in the understanding that each person's unique background and experiences bring meaningful value to our organization.

FY2025

VOA SCORE:

9.1/10

"I believe the ALDO Group is a diverse and inclusive workplace"

Standing Firm on Inclusion

In early 2025, amid heightened public criticism of diversity, equity, and inclusion initiatives, our CEO David Bensadoun took a clear and principled stance by co-signing an open letter affirming the importance of DEI. Published in Le Devoir, the letter underscored DEI as a driver of social cohesion, innovation, and economic resilience, reinforcing our commitment to inclusion at a time when many companies were scaling back their pledges or dismantling corporate DEI programs.

LE DEVOIR

Un nous pluriel très précieux

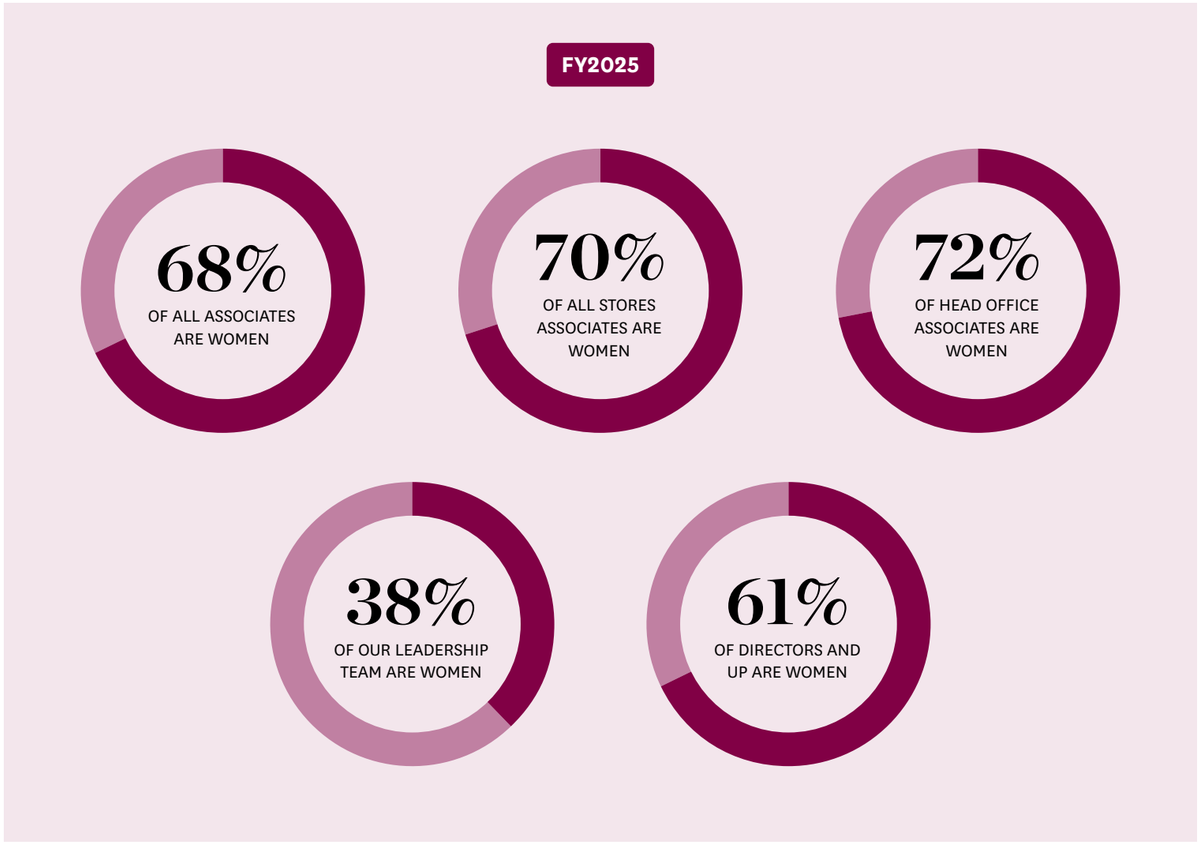
Croire que la méritocratie existe, réduire l'équité-diversité-inclusion à des histoires de quotas imposés, c'est ouvrir grand la porte à l'exclusion et aux biais. Se retourner vers le même est facile, mais l'entre-soi est voisin de l'indifférence. Appartenir est vaste ; « penser en dehors de la boîte », ça ne se fait pas avec soi-même, et ce n'est pas ce qui bâtit des sociétés en santé.

Le Québec est créatif et accueillant. Ces valeurs font partie de nous — et ce nous est pluriel. Continuons fièrement à implanter des milieux de travail où tout le monde a les mêmes chances de s'épanouir, dans le respect de son intégrité. Continuons d'accueillir les nuances de chacun et chacune, de valoriser le « savoir travailler ensemble », rassurant et mobilisateur.

EMPOWERING WOMEN

The ALDO Group stands for gender equality and remains deeply committed to empowering women to lead and thrive. Our CEO is a steadfast supporter of this mission, recognizing the immense value that highly qualified, talented, and deserving women bring to the organization. We believe that a diverse leadership team is not only more efficient and innovative, but also a powerful catalyst for growth and long-term success.

For us, championing the fight for equal opportunity is all the more important given that the majority of our workforce is composed of women.



TWO TEN Footwear Foundation

Supporting Two Ten

The ALDO Group has been a longstanding partner of the Two Ten Footwear Foundation, which supports footwear employees and their families through hardship and disaster relief, scholarships for higher education, professional development opportunities and industry networking programs.

Following the devastating wildfires in the greater Los Angeles area in early 2025, the ALDO Group made a donation to Two Ten's disaster relief program to help those affected. We also organized a product donation in support of this cause. The full initiatives we launched in the wake of this tragic event are detailed in our *Supporting Our Communities* section.

WIFI is Two Ten's professional community dedicated to empowering women in the footwear industry. It provides a platform for women to connect, learn, share information, elevate themselves, and support each other while growing their professional networks. In November, the ALDO Group announced a $375,000 commitment to Two Ten in support of its WIFI initiative, a three-year pledge delivered as annual contributions of $125,000 from 2026 to 2028.

In 2025, for the third consecutive year, the ALDO Group was the proud presenter of the Two Ten's WIFI Virtual Series, which sees panels organized throughout the year bringing together illustrious female leaders to share their insights and opinions on the industry's important topics. In August, Anna Celetti, Vice-President, Sales & Operations in ALDO North America participated in the panel discussion Creating A Coaching Culture to share her insights on how she's been working to do exactly that.

Further strengthening our commitment to advancing women in our industry, Amélie Provost, Senior Director of Marketing for ALDO Product Services, and Nadia Samulack, Senior Director for Ted Baker, Brooks Brothers and Hunter, joined the Two Ten WIFI Leadership Council in 2025. By collaborating with other female leaders across the footwear sector, Amélie and Nadia actively contribute to shaping impactful programs and fostering a vibrant, supportive community of WIFI members.

“Real advancement is ushered in by great leaders, and I want to thank all our associates who work to help others **reach their full potential** by sharing their knowledge, utilizing their network, and standing up for their female colleagues.”

DAVID BENSADOUN, CEO

EXPLORING WHAT IT MEANS TO BELONG

We believe that fostering a culture of belonging is an ongoing journey, one that requires continuous reflection, growth, and action. That's why we're committed to creating space, year after year, for new opportunities that raise awareness, spark dialogue and drive meaningful change.



OFFERING CONTINUOUS LEARNING OPPORTUNITIES

At the ALDO Group, we know education can have a powerful impact on the way we interact with people and the world. By training our associates to recognize unconscious biases, we can work together to reduce and stop prejudices and other forms of discrimination. When associates and managers join the ALDO Group, they are asked to complete an onboarding training that introduces key principles aimed at fostering a safe and supportive work environment for all.

In 2025, in response to new legislation in the province of Quebec, we launched a training on workplace discrimination and harassment. This training sought to inform associates of new regulatory requirements and equip them to foster a healthy and respectful work environment. While not mandatory, associates showed a strong interest, and 80% of associates took part in the training led by an external facilitator who was also a McGill University lecturer with +20 years' experience.

ADVANCING OPPORTUNITIES FOR NEURODIVERGENT YOUTH

The ALDO Group is a proud partner of Summit Montreal and Giant Steps, two specialized schools that provide structured, supported internship programs tailored to the needs and strengths of neurodiverse students. These internships provide young adults with real work experience while enabling our teams to contribute positively to workforce inclusion and community engagement. In 2025, through this partnership, the Sample Management team in ALDO Brand had the privilege of welcoming 2 interns from Summit Montreal and 1 from Giant Steps — an experience that proved deeply rewarding, promoting personal growth, inclusive values, and shared learning.

NURTURING BODY POSITIVITY AND SELF-CONFIDENCE

In light of Mental Health Week, we've invited Dr. Stéphanie Léonard, psychologist and founder of BienAvecMonCorps, a non-profit organization dedicated to helping you feel better about yourself, to come on campus to deliver a body positivity workshop. The workshop, part of our Find Your Fit Happening series, aimed to inform and equip our associates to contribute concretely to their well-being. In a friendly and interactive setting, psychologist Dr. Léonard addressed the issues that influence our body image and relationship with our body, and how to be better equipped and take actions to promote a positive work environment related to body image.

CELEBRATING WITH PRIDE

For the fourth consecutive year, the ALDO Group offered associates in Montreal a chance to win tickets to attend the Montreal Pride as a VIQ (Very Important Queer) and to go to shows during the celebrations.

A World-Class Employer

For the first time, the ALDO Group made Forbes magazine's list of The World's Best Employers in 2025, placing 23rd in the Clothing, Shoes, and Sports Equipment category. We were previously listed on Forbes Canada's list of best employers and making it onto this list was a great mark of pride for the company. We were also subsequently included on the company's list of the World's Top Companies for Women, placing 67 out of 400.

In 2025, we were also named on Canada Top 100's list of Top Employers in Montreal, selected based on eight criteria: Workplace, Work atmosphere & social, health, financial & family benefits, vacation and time off, employee communications, performance management, training & skills development, and community involvement.

Throughout the year, we conduct sessions and workshops, and offer training for managers and associates to manage their priorities and stress to improve their feeling of wellbeing at work.



WORK-LIFE BALANCE

We've cultivated an environment where our priority is the health, happiness, and accomplishment of our associates. We know that giving time to our associates to rest and enjoy life outside of work contributes to their well-being at work and therefore makes them better associates.

Here is how our commitment is put into practice:

Our head office employees observe a **standard work week of 37.5 hours** with flexible schedules.

Our blackout-period policy for weeknights and weekends encourages disconnecting from work-related communication channels and promotes a healthy work-life boundary.

Depending on seniority, head office employees are entitled to **either three or five weeks of vacation upon joining the company**, and all associates have one week off between Christmas and New Year's Day, where the head office is closed, surpassing by far Canadian annual leave regulations.

A hybrid work schedule allows a seamless transition between home and our dynamic campus.

Summer Friday season allows associates to end their day at 1 p.m. on Fridays so they can enjoy more of the summer and all that it has to offer.

Maternity and parental leave benefits also exceed government programs, featuring a 16-week salary enhancement for higher-level associates. We also ensure continued accumulation of vacation time during leave and the carryover of unused time upon return to work.

We offer an array of **perks and benefits**, such as: virtual care, insurance, savings plans, wellness tools like the Headspace guided meditation application, as well as partnerships with daycare services close to our head office and a fitness centre on Campus.



RALLYING OUR ASSOCIATES AROUND SUSTAINABILITY

We know that our commitment to sustainability must begin at the core of our operations, starting with our offices and extending outwards, enhancing our working environment and positively impacting the community. We aim to lead by example and inspire others to be more environmentally responsible.

Our head office is a reflection of our environmental commitments:

- We have **waste sorting stations** on our campus, found around our offices and in our cafeteria, enabling the proper sorting and recycling of all suitable waste.
- We have a **green cafeteria** on campus with compostable packaging, reusable plates and cutlery, fresh take-out hot meals and vegetarian options. Employees also get a discount on coffee when they bring a reusable cup.
- We encourage **greener transportation options** with bike racks, discounts for public transit fares, electric charging stations and parking spots reserved for carpooling. A BIXI station is available on campus to encourage our associates to bike to work. BIXI is a bike sharing system operating throughout Montreal, giving associates the ability to rent a bike via subscription or one-time pass from any of its stations and deposit it at a station near their destination.
- To reduce the energy (and money!) spent on data hosting, we encouraged associates to do a deep clean of their online files and delete those which were no longer needed. Every little thing helps in reducing our emissions!

Also, to excite and unite our associates around sustainability, we organize various activities and initiatives on internationally celebrated days, such as Earth Day. We aim to engage associates in our journey, encourage them to adopt more sustainable lifestyles, and educate them on sustainability topics so they may make better choices for themselves and our planet.

- To mark World Recycling Day, we organized a two-day recycling kiosk in our campus cafeteria to inform associates about recycling at the ALDO Group, and recycling in general. To encourage learning, associates could win prizes if they passed a practical test (in which receptacle does a soda can go?) or answered a recycling-related question correctly. We also welcomed Next Chance on campus, a company that recycles fabrics to make reusable gift wrap.
- In celebration of Earth Day, we issued a collaborative challenge for all our associates, encouraging them to submit their sustainable diet recipes that would then be collected into the ALDO Group Earth Day Cookbook. Lucky winners were drawn from among the submissions, earning their authors gift cards, but the real winners were us, as we now had a book full of recipes to enjoy.

  Associates in our China office also gathered in celebration of the day, organizing a potluck where teams cooked delicious vegan or vegetarian dishes – a tasty combination of sustainability and teamwork.
- In April, associates in China also went tree-planting as part of a local initiative organized by the authorities of Longmen County in the Guangdong province. They planted 30 camphor trees that day, making a tangible and beautiful difference.
- In recognition of World Environment Day, our green-thumbed associates got our campus ready for summer in June, tending to our green spaces and planting flowers all over campus. Pretty (and) productive!
- In December, we once again hosted an eco-friendly holiday market, inviting local vendors of sustainable products to sell their wares to associates. This year, we invited our own associates to sell as well, sharing their crafts and creations with their colleagues.

EMPLOYEE ENGAGEMENT

In fostering a workplace culture that values every individual's contribution and perspective, the ALDO Group proudly champions the **Voice of the Associate (VOA) initiative**.

Once a year, responding to a VOA survey is a powerful tool for associates to offer constructive feedback, share experiences, and provide suggestions openly. For the ALDO Group, it's a great opportunity for continuous improvement as we embrace feedback. VOAs are more than just a survey and let our associates' collective voice be heard. It stands as a confidential platform where transparency, constructive dialogue and impactful change converge, guiding the ALDO Group in its efforts to continuously offer our associates a better work experience.

FY2025

86%

of all our associates (corporate, retail, distribution centre) answered the VOA

More than

60%

of the respondents were promoters* of the ALDO Group as an employer

**scores between 9 and 10 on a scale to 10*



GROWTH AND DEVELOPMENT OPPORTUNITIES

Contributing to our employees' growth and development is a great point of pride for us, which is reflected in our hiring practices. In 2025, 49% of our internal positions were filled by our associates, through inter-department transfers or promotions within the company. We believe that offering equal opportunities to all through a robust learning and development strategy also contributes to our associates' professional development within our company.

ENDLESS LEARNING OPPORTUNITIES

The ALDO Group extends its valuable learning resources to all permanent associates across our offices in Montreal, China and Switzerland, as well as US-based HO associates, both on our company's dedicated training platform, or via services provided by our partners. Together, these serve as an exceptional avenue for learning all about our culture and history, in addition to enhancing self-development and career advancement.

Training offer & development for all

Within our training offerings, including our DEI trainings and cybersecurity offer, an array of courses has been meticulously crafted by our Learning & Development team. Numerous training opportunities are available through CAMPUS, the ALDO Group's dedicated online learning platform. Among these trainings, and in line with our steadfast dedication to cultivating an inclusive work environment that thrives on mutual respect and equity, we have implemented language courses and technical skills training.

Training our leaders: the NOVO program

NOVO, our leadership coaching program, is a cornerstone for the growth and development of our leaders. A year-long program, it teaches participants how to successfully carry out the three roles required of any great senior associate: Leader, Manager, and Coach.

Tailored exclusively for our managers, workshops are designed to empower them to navigate today's pertinent business demands. The selection of topics is shaped by the extensive feedback received from company-wide surveys, and includes:

- Coaching & Feedback
- Stress Management
- Workplace Respect
- and much more.

ALDO CAREER EXPERIENCE (ACE) PROGRAM

The ACE program offers our store associates in North America the opportunity to join our teams at the head office for a summer internship, giving them the chance to see what goes on at our headquarters, and enriching our corporate teams with their perspective from the front lines. ACE is a program designed to cultivate new talent, bring a diversity of backgrounds and knowledge into our teams, and foster a culture of belonging at the head office by increasing the number of positions filled by associates with store experience who wish to grow within the company.

Since the launch of the program, 62 store associates have been ACE interns at the head office, and of those interns, 13 have later been hired for full-time positions at the head office.



RECOGNIZING OUR ASSOCIATES' HARD WORK

At the ALDO Group, recognition is part of our culture. We believe that highlighting our associates' achievements drives cohesion and engagement and makes for a far more lively and interesting working environment. We want our associates to feel supported, validated, and inspired to fulfill their potential.

In addition to daily recognition which we encourage from our associates and leaders, we implemented two major initiatives to recognize the outstanding effort and performance of our associates - one for our corporate associates and a second one dedicated to our retail business.

FUTURE

The recognition program for our associates, **FUTURE**, celebrates them in two categories. The Leadership category recognizes the leaders at the director-level and above of our company who have stood out among their peers. Excellence in leadership takes many forms, but we want to recognize those who not only demonstrate mastery of their profession, but also prove themselves as leaders by enabling the success of their teams and inspiring a culture of kindness and continuous development.

The other category, Ambassador, recognizes associates at the senior manager-level and below, highlighting those who improve every process they're part of, go above and beyond their goals, and lead with kindness. The ALDO Group makes it a point to acknowledge and reward the fantastic work of these individuals, who contribute with all their might to a stimulating working environment and ultimately the company's success.

CLUB ÉLITE

Marking over 35 years of success, **CLUB ÉLITE**, established in 1988, is the ALDO Group's unique and innovative way of recognizing our top performers in retail management and sales. This annual contest applauds the outstanding contributions of sales directors, district sales managers, managers, assistant managers, sales leads, support team members, as well as full-time and part-time sales associates from all over the world who prioritize exceptional customer service. This initiative, aligned with our values of Love, Respect, and Integrity, ensures we can celebrate CLUB ÉLITE winners quarterly across the entire organization. Yearly winners enjoy special recognition with a grand ceremony.





Human Rights

On our journey to create a world of love, confidence, and belonging, we at the ALDO Group, respect, promote, and protect human rights. It's not just a policy we adopt, but rather a fundamental part of our business philosophy.

OUR GLOBAL SUPPLY CHAIN

At the ALDO Group, we work closely with our merchandise suppliers, who are responsible for manufacturing products bearing an ALDO Group owned or licensed trademark, which must follow our requirements and standards. Our company does not operate any manufacturing facilities. Our approach is to collaborate and maintain a dependable and long-term network of merchandise suppliers with independent contract manufacturers bringing our designs to life while adhering to our standards and requirements.

FY2025

25

strategic merchandise suppliers
managed production

These suppliers accounted for

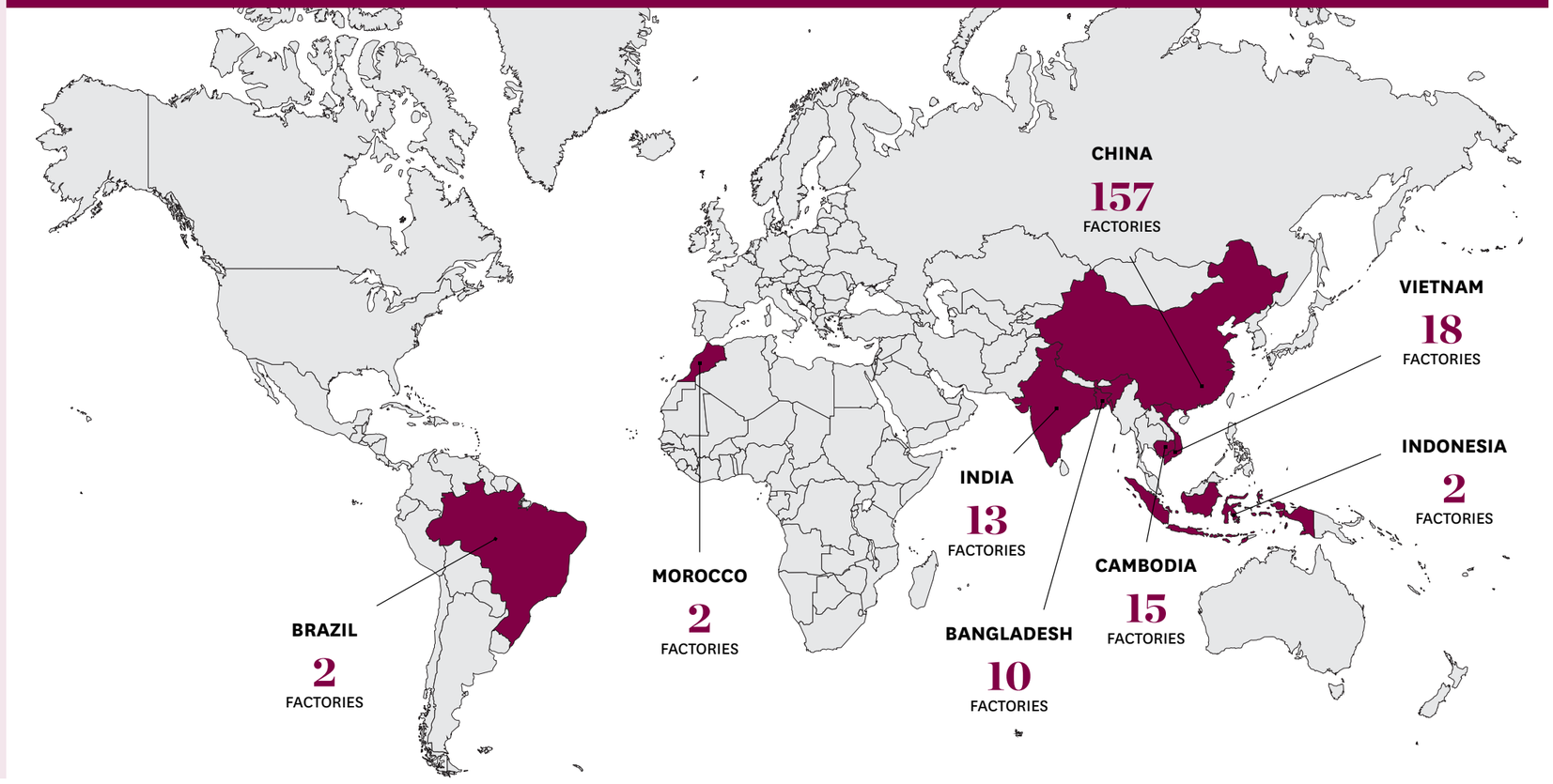
84%

of our footwear and handbags production

80

The number of factories in which this production took place

OUR MAIN SOURCING REGIONS



STRINGENT STANDARDS: OUR SOCIAL COMPLIANCE PROGRAM

Our approach to identify and mitigate potential human rights risks is guided by our corporate values of Love, Respect, and Integrity, promoting a fair and sustainable global supply chain safeguarding workers' rights and ensuring dignified and lawful workplace practices.

We stand committed to preserving ethical standards and social responsibility across our supply chain. Our core objective is to ensure that all our merchandise suppliers and manufacturers comply with our Code of Conduct and meet the established benchmarks of international labour standards. Through our initiatives, we implement various types of audits and verification processes.



- **The ALDO Group Vendor Code of Conduct** serves as a cornerstone for establishing responsible practices and the highest levels of ethical standards and mutual expectations among our diverse network of merchandise suppliers worldwide. Applicable to suppliers, contractors, sourcing agents, subcontractors or any other type of merchandise suppliers, the Code condemns abusive practices and emphasizes the significance of ethical business behaviours, fundamental human rights, labour practices, workplace safety, abstaining from corrupt practices, compliance with diverse local regulations, and environmental sustainability to all our business partners. Our Code clearly prohibits any form of coerced or involuntary labour and any type of modern slavery.

  Our Code was reviewed during this reporting year to improve our standards with our suppliers and ensure alignment with the best practices in our industry as recommended by globally recognized organizations such as the International Labour Organization (ILO).

  We also expanded the reach of our Vendor Code of Conduct, sharing it with our main material suppliers. Before, the Code of Conduct was only shared with Tier 1 vendors.

  Since 2024, in addition to our merchandise suppliers, all new non-merchandise suppliers whose contract exceeded a value of US$25,000 received our Vendor Code of Conduct. Existing non-merchandise suppliers for contracts exceeding US$25,000 in value were also sent the Code of Conduct if their contract was renewed in FY2024.

- **Pre-Sourcing Assessments** serve as an essential component of our onboarding process. We conduct pre-sourcing assessments of all merchandise suppliers for our core categories of footwear and handbags. All such suppliers must have their final factory site(s) audited prior to working with the ALDO Group to assess the actual and potential risks of forced labour and child labour at those sites of manufacture.

- **Social Audits**, conducted by trusted third-party auditors, typically occur every 12 to 24 months.

  As signatories of the Social & Labour Convergence Program (SLCP), we have access to the Converged Assessment Framework, which consists of a data collection tool, a verification methodology, and includes guidance documents. Additionally, we use the Higg Facility Social and Labour Module (FSLM), which monitors, among various social compliance topics, working hours, health and safety, and employee treatment. We also accept factory site audit reports from the independent organization Better Work.

  The ALDO Group's Impact & Sustainability team issues an internal scoring grade, based on those reports. Factories that receive a failing grade are not approved for production and are required to work on a detailed corrective action plan before they can be reconsidered for approval.

  We also conducted both announced and unannounced onsite visits in our vendors' factories. Compared to FY2024, we increased our number of audits by 65%, visiting factories in China, Bangladesh, Cambodia, and Vietnam.

- **Corrective Action Plans (CAP)** are individually tailored for all our vendors' factories, developed collaboratively with the supplier based on priority findings. These plans provide suppliers with sufficient time to properly implement the required measures. Our compliance team tracks and verifies the actions and accomplishments of our suppliers with respect to their commitment to their CAP.

ALDO GROUP

TRAINING

Our associates and suppliers need to be equipped with the right tools and knowledge to identify problems and apply corrective measures where necessary. To achieve our objectives to reduce and prevent risk of human rights violations, we offer trainings to our associates, as well as to our suppliers.

FY2025

100%

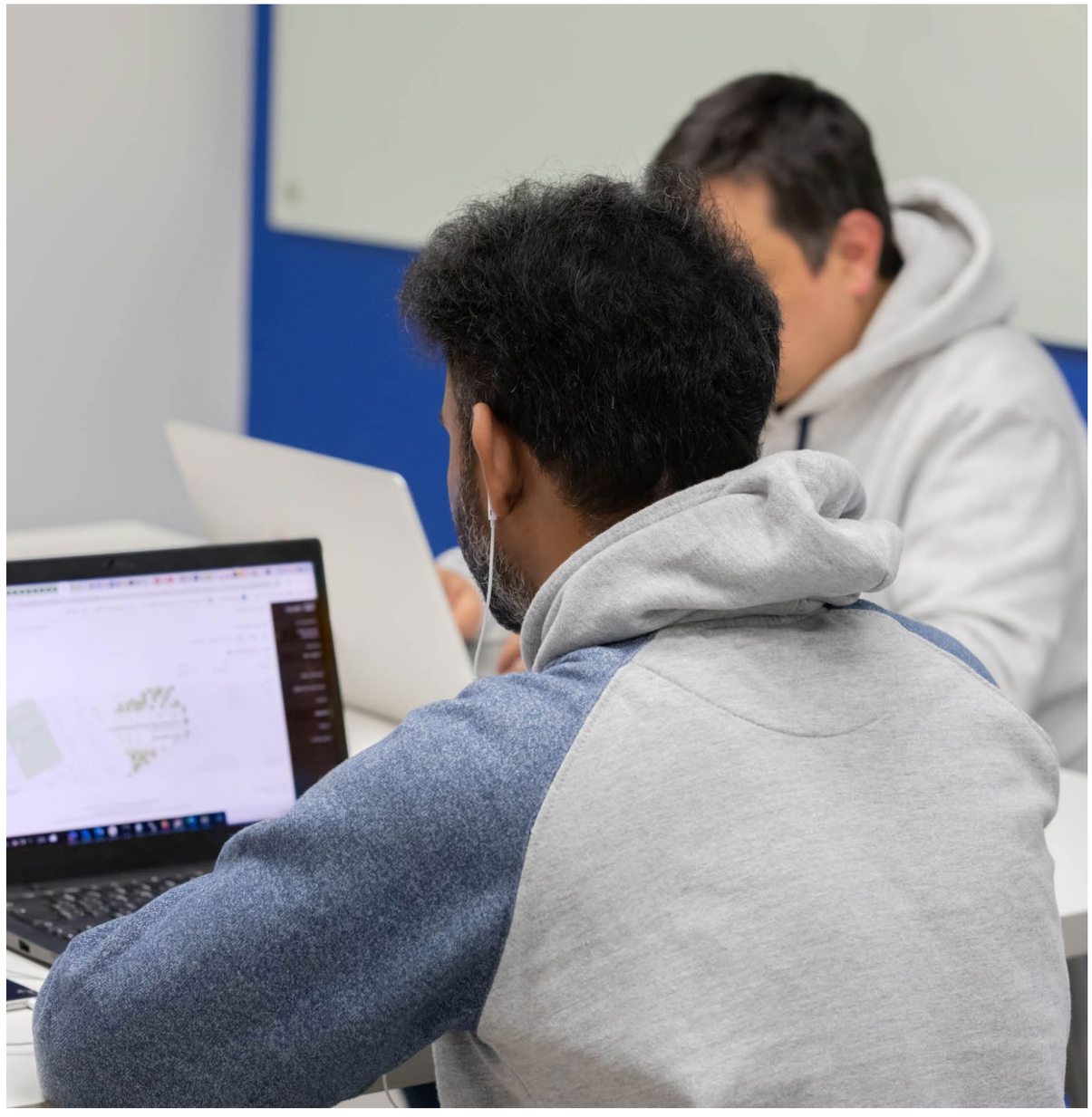
of leadership team members completed training

ASSOCIATES

Internal training happens at the very beginning when an associate joins the ALDO Group. All new associates must undergo an onboarding training program which includes a presentation of the ALDO Group, its values and corporate purpose, as well as an overview of its CSR priorities and human rights-related initiatives.

In 2023, we launched our dedicated Human Rights training, sharing it with our leadership team, and with targeted associates who work with suppliers on a daily basis.

In 2024, we extended our training to all our associates, save store associates, in order to educate all our associates – even those not working directly with our suppliers – on this important topic to our company. The course covered the topics of forced labour risks and mitigating strategies, including key indicators of forced labour, and how to report a suspected violation of our standards.



MERCHANDISE SUPPLIERS

Supplier education is an integral component of our approach. We provide training to raise awareness among our suppliers and ensure our values are respected. Our training programs cover our Code of Conduct, our procedures and requirements, and focus on high-priority areas that have been identified through due diligence. The ALDO Group's Impact & Sustainability teams are in constant communication with our suppliers and can advise them regarding any existing or potential issue or concern.

Our goal in FY2025 was to share our updated Code of Conduct with our main material suppliers and extend the reach of our training to all Tier 1 merchandise suppliers. We're happy to report that both goals were achieved.

The training to suppliers was improved with the addition of a dedicated section on child labor, to educate the suppliers on our standards and how to mitigate the risk of child labor in their supply chain. This includes preventive measures.

Supporting Our Communities

HOW WE STRIVE TO MAKE THE WORLD A BETTER PLACE

Over the years, we have developed various ways to give back to communities, whether by dedicating time, donating products, or providing financial support. Associates are actively encouraged to contribute to causes they hold dear and to participate in various initiatives in and outside their departments.

Each year, our associates are allotted 15 paid volunteering hours to use as they see fit in addition to team building efforts that are directed toward supporting a charitable cause.

All in all, our associates dedicated a total of 1,416 hours to community endeavors through our volunteering program, in addition to our departments' various philanthropic team building activities.

The ALDO Group is proud of the grassroot organizations formed by its associates who look to make a difference in their communities. Throughout the year, they've supported a variety of organizations to the benefit of local as well as national causes.

Running For A Good Cause

In September, associates laced up their running shoes for a good cause by participating in the local Terry Fox Run. If that wasn't enough, they also organized a bake sale on campus to raise funds.

A week later, two of our associates took on a half-marathon to raise awareness and funds for Autism Without Limits, a non-profit dedicated to the development, health, and social inclusion of high-functioning young adults with autism. Together, they raised $4,540 – great work!

APS Make It Count

Since 2020, a group of associates in ALDO Product Services have supported a myriad of causes and hosted a variety of fundraisers to do so. This year was no different!

To raise funds to send schoolchildren to summer camp (lunch included!) they organized their 3rd annual Softball Classic, kicking off summer with a friendly softball game and accompanying ball-park fare for purchase. In the fall, they then hosted a car wash on campus, offering associates an easy way to have their car cleaned, even offering pick up and drop off service – cleaning your car was never more convenient!

Collecting Winter Clothes

For years, associates have supported au Coeur de l'Enfance, a local family support center, in various ways. This year, associates turned a happy hour networking event into a fundraiser, where funds raised went to purchase school supplies.

In the fall, associates organized a winter clothing donation drive to help families in need. As a result of this donation drive and others, a total of 197 families were outfitted for the coming winter at au Coeur de l'Enfance's Winter Bazar event.

Hot Dogs And Socks For Dans la rue

The ALDO Group has been a long-standing partner of this Montreal charity, which supports at-risk youth. Over the years, this support has taken the shape of monetary donations, associate volunteer hours, and in-kind donations to support. This year, our support took the shape of 620 donated pairs of socks, a sought-after commodity by the people Dans la rue helps. A team of our associates also spent an evening preparing the hot dogs that would later be distributed across the city by Dans la rue's mobile kitchen.

Getting Our Hands Dirty

Our associates in Switzerland organize community days where the office puts in a shift in support of a good cause. This spring, they helped a local playground get ready for spring by restoring its sand-pit, mucking out the pony stables, cleaning, weeding, and tidying the area, before hauling away a great big pizza oven!









In the fall, they worked at a local farm, helping collect cucumbers and beans, later preparing the latter for freezing. They also trimmed brussels sprouts and then harvested and cleaned celery.

New Life For Our IT Equipment

In July, our associates in China gave new life to a batch of computers retired under our IT policy but still fully functional by putting them in the hands of those who need them most. They donated 15 computers and two TVs to Dongguan Daojiao Charity Association, an organization helping disadvantaged families as well as social workers with tools to help them in their work.

Their generosity extended beyond their hometown, as they also made a three-hour drive to Shaoguan, where they donated 20 computers and 12 sets of inspirational books to the Disabled Persons' Federation.

A small ceremony saw our associates get an opportunity to speak to some of those who will benefit from the donation. They included recent high school graduates who'd need the computer for their upcoming university studies, a university student studying drone technology, as well as a blind person who recently completed their studies and now works part-time as a masseuse to support their family.

Toys In Time For The Holidays

In the fall of 2025, our IT department in Montreal offered associates to buy refurbished laptops at a steep discount. In no time at all, the laptops were gone and our associates used a large portion of the proceeds – more than $1,000 – to purchase toys for Generations Foundation, a local non-profit helping underprivileged children and their families, making sure there was a gift to enjoy this holiday season.

For The Love of Pickleball

In September, the ALDO Group donated 30,000 CNY to the development of pickleball in the city of Dongguan and organized a tournament for the locals to discover and enjoy the game that our AFE associates have fallen in love with.

Mmode

The ALDO Group is dedicated to the growth of our industry and in September, we partnered with mmode, a non-profit organization dedicated to the development and prosperity of the Quebec fashion industry, to invite fashion entrepreneurs on campus to meet with our senior People & Culture leaders to learn how to enable the growth their teams and create both a positive and productive work environment.

Supporting Those Affected By The Wildfires In L.A.

In the wake of the devastating wildfires in L.A., the ALDO Group set to ensure its associates were safe and accounted for, and all were made aware of the support tools available to them, both those offered by the ALDO Group, like our Employee Assistance Program, and those offered externally, like the support network of the Two Ten Foundation, to whom we made a donation dedicated to their Disaster Relief Program.

We also organized a product donation to people in the region who lost everything, and ALDO Brand's used its social media reach to share resources to its followers.

The wildfires in L.A. were a stark reminder of the consequences of global warming and the necessity for us to continue to do our part and decrease our environmental impact – a goal we're striving for with our Net Zero by 2050 initiative, described in our Planet section.

Breast Cancer Awareness

In October, in recognition of Breast Cancer Awareness Month, associates from our ALDO Far East office joined volunteers at Dongguan Tungwah Hospital to support breast cancer patients. Associates prepared gift bags with apples for patients and accompanied them on a walk through a beautiful park, where they rested and listened to speeches in observance of the day. They were treated to performances of singing, dancing, and exercises – much to the delight of the patients!

Planet

CREATE AND SOURCE PRODUCTS WE LOVE WITH POSITIVE INTENT

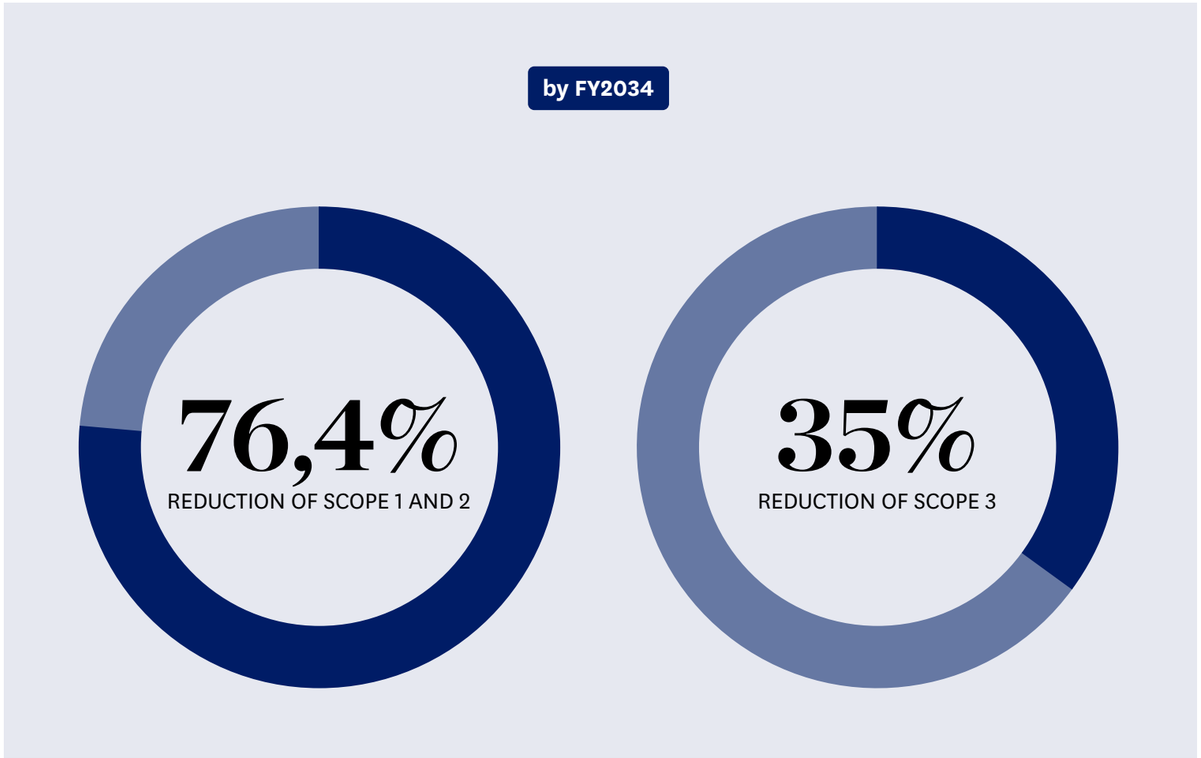
29
CLIMATE ACTION

32
RESPONSIBLE PRODUCTS

35
WASTE REDUCTION

Climate Action

As a responsible fashion company committed to our communities, we recognize the impact the fashion industry has on climate change. In acknowledging this reality, we are dedicated to spearheading efforts to bring about a more sustainable future. In pursuit of this goal, we've taken a comprehensive approach aimed at mitigating our environmental impact while offering products that resonate with the values of our customers.



Scope 1 *emissions are the direct emissions owned or controlled by our company and related to our operations.*

Scope 2 *emissions are indirect emissions that are a consequence of our company's energy needs, such as the electricity we purchase and use in distribution centres, offices, and corporate stores.*

Scope 3 *emissions are the emissions connected to our suppliers, such as the emissions involved in the manufacture of our products, from textiles and leather production to the finished product.*

OUR GOALS

The ALDO Group has pledged its support of limiting global warming to below 1.5°C. This entails collectively reducing global greenhouse gas (GHG) emissions by half within this decade and achieving carbon neutrality by at least 2050. As a signatory of the UN Fashion Industry Charter for Climate Action, we have pledged to achieve the ambitious target of reaching net zero emissions by 2050.

We strive for Net Zero by 2050 – a step by step approach. Aligned with this overarching goal, we have established science-based target milestones to guide our endeavors leading up to 2034. To ensure the accuracy of our calculations and the alignment of our targets with scientific recommendations, as well as with the Paris Agreement's goal of limiting global warming to 1.5°C, in 2019 we met the rigorous standards set forth by the Science Based Targets initiative (SBTi) and obtained approval for our targets. This initiative provides companies with a clear framework for harmonizing their efforts to reduce greenhouse gas emissions with scientific criteria.

In alignment with SBTi's requirements that ensure companies' targets remain aligned with climate science, we updated our science-based targets in 2024. Our renewed ambitions that will guide us in the near future read as follows:

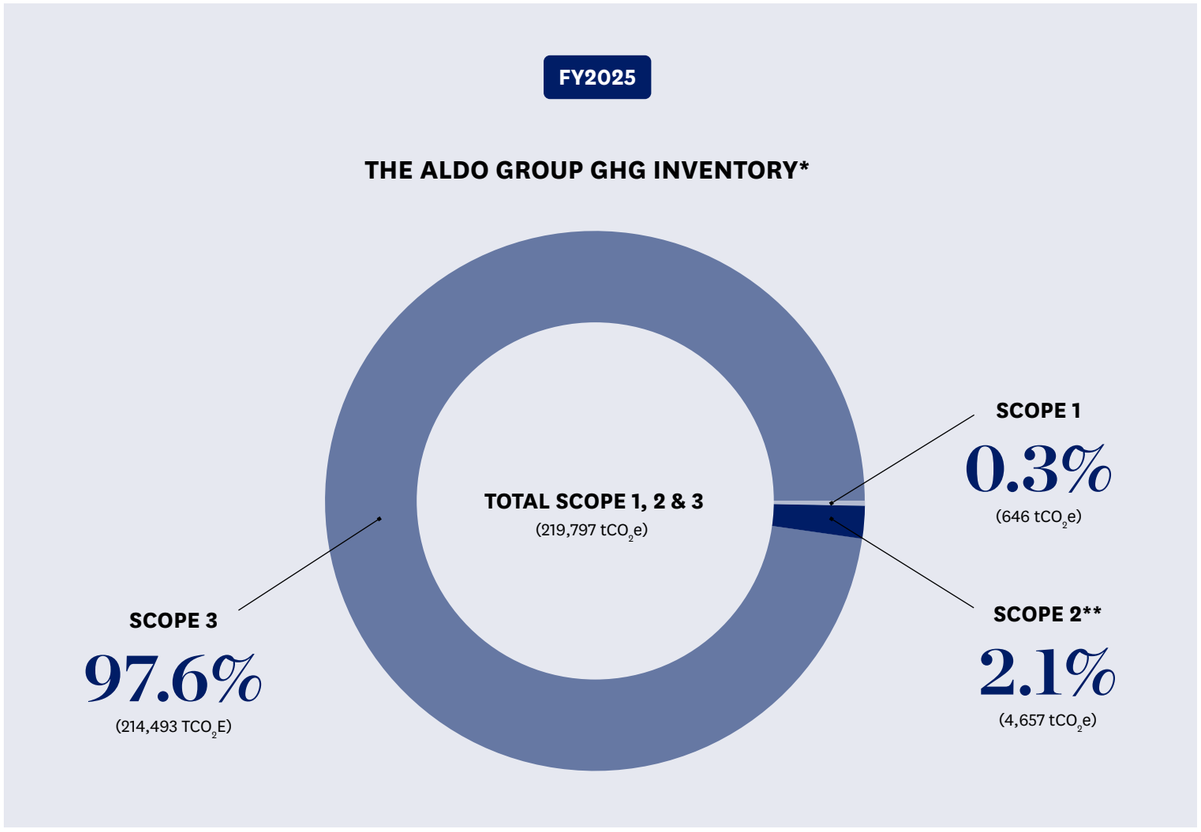
- The ALDO Group commits to reducing its absolute scope 1 and 2 GHG emissions by 76.4% by FY2034 compared to FY2016, our baseline year.
- The ALDO Group also commits to reducing its absolute scope 3 GHG emissions by 35% by FY2034 compared to FY2022, our baseline year.

Our focus is on continuous improvement to address the various challenges of reducing carbon emissions within our own operations. We'll do this by driving scopes 1 and 2 emissions down, setting our priorities to lower emissions at the source, while taking another step forward for our planet and exerting all our efforts to achieve scope 3 as well. Together, these three scopes cover the entirety of our operations.

OUR CARBON FOOTPRINT

The ALDO Group has long been a leading advocate for initiatives that contribute to make the fashion industry more sustainable. In 2013, long before it was the norm, we calculated our carbon footprint and set a baseline for improvement. Over the years, we've added categories to our assessments and upgraded our primary data collection methodologies to improve calculations. We produce our greenhouse gas (GHG) inventory in line with the GHG Protocol and conduct the verification of our results – with a limited assurance level – via a third party to guarantee the accuracy and the objectivity of our calculations.

We are proud of how far we've come thanks to our numerous carbon reduction initiatives. By FY2025, we had decreased our scope 1 and 2 emissions by more than 64% compared to FY 2016, our baseline year for measurement.



**In FY2025, all the results of our GHG inventory presented in this section include the following gases: CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3.*
***Market-based*

To accomplish this feat, we dedicated ourselves to enhancing energy efficiency in our operations and invested in renewable energy sources for our stores wherever feasible. Additionally, reducing the carbon emissions within our scope 3 remains a pivotal focus. We've introduced a plethora of initiatives over the years, aimed at minimizing our environmental impact and meeting our targets. These include initiatives such as slashing the carbon footprint associated with our packaging, prioritizing maritime freight routes over air transport for our product shipments, and replacing some conventional, non-sustainable options with environmentally preferred materials (EPM).

Over the past decade, our journey has been centered on reducing our carbon emissions at their source, yet **we acknowledge there's still much more to do to reach our ambitious goals**, and we're dedicated to advancing our efforts in collaboration with esteemed global organizations like the Fashion Pact, the UN Fashion Charter for Climate Action, and initiatives such as the Science Based Targets initiative (SBTi), which provide invaluable guidance on our path towards greater sustainability.

Correction of FY2023 and FY2024 Carbon Footprint

In our 2024 Impact Report, we disclosed our carbon footprint results for FY2023 and FY2024. A subsequent internal review identified errors related to overstated product quantity data, caused by extraction issues within a reporting system.

Following the correction of the data, emissions associated with Scope 3 categories 1, 2, 4, 9 and 12 were recalculated using the same methodologies and emission factors as originally applied. All corrections were communicated to the external auditor, and the related assurance statements were updated accordingly. As a result, the previously disclosed FY2023 and FY2024 carbon footprint figures have been revised.

Reporting year	Scope	Previously disclosed (tCO_2e)	Restated (tCO_2e)
FY2023	Scope 3	276,761	237,496
FY2023	Scope 1, 2 & 3	282,767	243,502
FY2024	Scope 3	296,987	250,569
FY2024	Scope 1, 2 & 3	302,250	255,832

These corrections have no impact on FY2025 results. We continue to strengthen our data governance and quality control processes to improve the reliability of our greenhouse gas emissions reporting.

ALDO GROUP

HOW WE'RE STRIVING FOR NET ZERO TOGETHER

OPTIMIZING TRANSPORT

Addressing carbon emissions from transportation is paramount, so improving the efficiency of our transportation lies at the heart of our efforts to downsize indirect greenhouse gas emissions generated within our supply chain.

One way in which we optimize our supply chain is by maximizing the volume of goods we put in a container before it is shipped out of its country of origin. In previous years, we were below 70% utilization in terms of container space. In 2023, our Supply Chain & Operations department collaborated closely with our suppliers to optimize our containers' loads, ultimately reducing the number of containers transported by cargo to our distribution centres. Since then, we are proud to say we've improved to the point where we utilize up to 80% of container space. This improvement was made possible by adopting new strategies and using consolidation centres more systematically, which allowed us to combine volume from different factories instead of shipping smaller volumes from individual factories. We've also been more disciplined in how we plan exit dates from factories in order to consolidate volumes even earlier in the process.

Collaborating closely with our freight forwarders, we continuously strive to enhance global shipping routes and minimize distance traveled per unit. Our commitment to sustainability drives us to prioritize low-carbon shipping methods such as boat, truck, and train over air transport whenever feasible.

USING RENEWABLE ENERGY AND LOW-ENERGY SOLUTIONS

Our head office, distribution centre and all our stores in Quebec benefit from hydropower, the province's renewable energy source. For certain stores in deregulated markets in the US, **we purchase RECs (Renewable Energy Certificates) which help reduce reliance on fossil fuels and support renewable energy projects**. In addition, we purchase green energy instead of brown, for stores also located in deregulated markets in the US.

Enhancing energy efficiency in stores is a key strategy for reducing carbon emissions in the retail sector. We are currently working towards improving the efficiency of our operations and transitioning to renewable energy sources as opportunities arise. This has been achieved by increasingly adopting energy-saving LED light bulbs, using smart sensors and temperature controls, optimizing heating and cooling systems, and integrating smart technologies to monitor and regulate energy usage in most of our corporate stores across Canada and the United States.

FY2025

CORPORATE STORES POWERED BY GREEN ENERGY:

In Canada

33 stores

(Quebec)

In the USA

29 stores

(Illinois, Maryland, New Jersey, Texas, and New York).

For these stores, the ALDO Group purchases Renewable Energy Certificates (RECs)

DESIGNING PRODUCTS AND PACKAGING MORE RESPONSIBLY

The materials used to create our products, the manufacturing emissions linked to their production, and our packaging carbon emissions account for 65% of our scope 3 greenhouse gas footprint. As such, we have been introducing an increasing array of **environmentally preferred materials (EPM) in our products**, and particularly intensified our efforts since 2019, when our ALDO brand launched the RPPL, its first-ever sneaker made with recycled yarns and CleanStep in the outsole, a material made of 50/50 virgin thermoplastic rubber and algae biomass.

Our efforts to **reduce our packaging footprint** dates back to 2008, when we designed our shoeboxes with handles to reduce shopping bag use. Since then, we have been adopting a four-step approach to optimizing our packaging: Eliminate unnecessary packaging and reuse; design optimally; select the right materials; foster recyclability.

Our initiatives concerning these two major sources of our greenhouse gas emissions are detailed in the Responsible Products section.

TRAINING

This year saw us launch a company-wide training called Path To 2050: The ALDO Group's Journey To Net Zero, an interactive training about our commitment hit zero emissions by 2050, and how our associates are an integral part of that ambition.

The training covers this important commitment, the strategies we've pursuing as a company to get there, but also how our associates as individuals have their part to play in fighting climate change.

Responsible Products

As a responsible fashion company committed to our communities, we recognize the impact the fashion industry has on climate change. In acknowledging this reality, we are dedicated to spearheading efforts to bring about a more sustainable future.

In pursuit of this goal, we've taken a comprehensive approach aimed at mitigating our environmental impact while offering products that resonate with the values of our customers.



PRODUCT CHEMISTRY MANAGEMENT

At the ALDO Group, we strive to ensure that our sourcing partners and their factories supply us with products that comply with the chemical and substance limits outlined in our **Restricted Substances List (RSL)** and with the numerous international regulations on hazardous substance use in effect in all our markets.

In addition, our sourcing partners are required to establish testing and quality assurance programs that align with **SGS protocols**. SGS is a leading international testing, inspection, and verification company with whom we collaborate closely. If SGS is unavailable in a region, sourcing partners may work with any other third-party testing authority and then provide us with the official test report.

We also follow industry updates from FDRA, AFIRM, SATRA as well as regulations in CA/US/EU (Health Canada, CPSC, Prop 65, REACH). **100% of our products are tested at least for lead, phthalates and Azo dyes**. Additional tests can be done, and all products must comply with the substance limits for all applicable chemicals, as outlined in our RSL.

SUPPLIERS' ENVIRONMENTAL PERFORMANCE

In our ongoing efforts to be sustainable and environmentally responsible, we also rely on the **Higg Facility Environmental Module (FEM)**, developed by Cascale. This tool allows us to assess the environmental performance of product manufacturing at facilities, based on factors such as environmental management system, energy, waste and chemicals.

By using the Higg FEM, we aim to identify areas of improvement, track our supply chain progress over time, and make informed decisions to minimize our environmental footprint.

FY2025

30%
of our Tier 1 suppliers completed the FEM

&

21%
completed the vFEM

Together, these suppliers account for more than

74%
of our business volume.

ENVIRONMENTALLY PREFERRED MATERIALS

The production of materials, manufacturing emissions, and packaging carbon emissions collectively contribute to 65% of our scope 3 greenhouse gas footprint.

SYNTHETIC

We favour fibers and materials with reduced impact compared to their conventional counterparts. Accordingly, we use environmentally preferred materials (EPM), including recycled materials certified with environmental certifications (e.g., polyester, metal, nylon, neoprene, jersey). We also use solvent-free polyurethane (waterborne PU), which requires less water and energy to be produced.

This strategic shift towards sustainable materials plays a pivotal role in mitigating our carbon emissions, while creating more environmentally responsible shopping experiences for our customers.

FY2025

WE IMPROVE OUR LEATHER SOURCING PRACTICES:

100%

of the leather in our shoes was LWG certified.

98% rated Gold **&** **2%** rated Silver.

RESPONSIBLE LEATHER SOURCING

From our very beginning, leather has been a fundamental material for our signature shoe brand ALDO. Mostly used in our footwear category, the ALDO Group maintains a steadfast commitment to sourcing leather responsibly.

As **members of the Leather Working Group (LWG)**, we take pride in our collaboration with a global community, and we are engaged in achieving shared goals to promote traceability and sustainability in the leather industry. Our commitment is to source from tanneries rated Gold or Silver for environmental responsibility. In 2025, we increased our use of Gold LWG-certified leather. In 2024, 95% of our tanneries were gold-certified. In 2025, that percentage rose to 98%.

The **LWG audit standards cover various elements in detail**, namely traceability, energy consumption, water usage, waste management, effluent treatment, and production data. This certification guarantees adherence to superior practices during the tanning process, aimed at reducing environmental impact and safeguarding the well-being of workers involved at this stage of leather processing.





ANIMAL WELFARE

The ALDO Group prioritizes animal welfare throughout its supply chain, recognizing the high risks associated with this complex issue. Collaborating with industry associations like LWG, as well as our sourcing partners, we strive to improve the traceability of the animal-derived material in our products with an eye to safeguard animal welfare throughout the value chain. LWG is actively working on improving the traceability of leather down to the farm level, and as a long-standing member of the organization, we intend to be part of the solution by improving the visibility within our operations.

CALL IT SPRING, PETA-APPROVED VEGAN

Beginning with its Spring 2019 collection, Call It Spring made a major shift and committed to going fully vegan to align with their values and offer a comprehensive set of animal-friendly options to customers without compromising on style. That same year, Call It Spring became PETA-Approved Vegan. **All the brand's shoes and handbags are entirely animal-free**. This includes all animal derivatives, such as animal skins, feathers, fur, hair, wool, shells, silk and adhesives. The certification is renewed on an annual basis, to ensure that all new suppliers comply with Call It Spring's commitment.

Furthermore, **the brand engages SGS, a reputable independent third-party laboratory, to conduct an extra evaluation of vegan compliance**. This involves testing representative samples from each collection for any animal fibers or derivatives, utilizing the most rigorous methodology to detect any animal traces.

FY2025

100%

of our samples received
a PASS grade from SGS

The brand is also **PVC-free**, a synthetic material known as particularly harmful for the environment and human health. In addition, all styles that are made with an insole use Call It Spring's B.E.D Foam, a material made from 30% post-consumer waste.

AN UPDATE TO OUR ETHICAL ANIMAL SOURCING POLICY

This past fiscal year, we reviewed and updated our Ethical Animal Sourcing Policy – publicly available on our CSR website – to align with the best practices of our industry.

Additions include a section on traceability and how we expect our vendors to support us in our ambition to improve traceability in our supply chain, encouraging them to take part in LWG projects focused on this important issue. We also improved our specificity when it comes to the species listed on the CITES or IUCN red list, including crocodile and snake.

Waste Reduction

DEVELOPING LOWER-IMPACT PACKAGING

Since 2008, the ALDO Group has been on a journey to reduce the environmental footprint of its packaging. It started with creating a shoebox with a handle, to scale down shopping bag use, but we have gradually optimized other aspects of our packaging, such as hangers for accessories. In 2016, we introduced e-receipts and a low-stuffing policy for handbags, and in 2019, we banned single-use shopping bags from ALDO and Call It Spring corporate stores, saving 10 million bags annually.

Our shoeboxes are now made of a minimum of 80% recycled fibers and are certified by the Forest Stewardship Council, guaranteeing sustainable forest management. To further reduce plastic and CO_2 emissions, new paper-based shoebox handles were introduced in 2019. As of 2021, the **ALDO Group's eCommerce shipping bags are made from 100% recycled materials**. These steps significantly diminish waste without compromising aesthetics, weakening functionality or jeopardizing the quality of our products.

Over the years, we've built an approach to sustainable packaging that follows four simple principles:

1. Eliminate unnecessary packaging and reuse whenever possible
2. Design optimally to reduce over-packaging
3. Select the right materials with a preference for certified and/or post-consumer recycled content
4. Foster recyclability by selecting packaging that is recyclable and easy to disassemble

All our packaging initiatives are evaluated according to these principles. There is more work ahead of us and these solid principles will guide our present and future actions.

REDUCING WASTE FROM PRODUCT RETURNS

This year, through our partnership with Shopify, we have partnered with Happy Returns as part of our eCommerce business. While we encourage customers to make returns in-store and thereby avoid associated shipping material waste, for those customers where this is not an option, our partnership with Happy Returns lets customers drop off returns in a convenient location where they're all collected and returned to us as one shipment – thereby reducing the amount of packaging involved.

SNEAKER IMPACT

To reduce waste from damaged or mixed products in our stores, we've partnered with Sneaker Impact. This partnership sees us give damaged or mixed products – be it footwear, accessories, or handbags – to Sneaker Impact, who collect, recycle, and resell to secondary markets around the world through a network of micro entrepreneurs. This partnership kept more than 9000 kg of product out of landfills this year, and created economic opportunities for people in need to boot.

A BRIGHT IDEA

As part of our hazardous waste management in stores, we created a new recycling program for all the different lightbulbs used across our fleet of stores in Canada. By keeping lightbulbs out of landfills, we can avoid soil and water contamination and support a more sustainable material lifecycle. As part of this program, light bulbs will be collected from stores and then processed by a Canadian partner who specializes in lightbulb recycling.



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Ensuring Effective Governance

Our actions are guided by our values of Love, Respect, and Integrity, and we are driven by our purpose to create a world of love, confidence, and belonging. This is reflected in the way we operate our business. To ensure the long-term sustainability of our company, we maintain corporate governance functions tasked with ensuring efficient management and protecting the interests of our various stakeholders.

In 2025, there were changes to the governance structure of the ALDO Group. Monia Atijas, Senior Vice-President of Call It Spring, joined Team One and David Bensadoun took direct leadership of ALDO Brand and ALDO North America to centralize and align the governance of these two departments constituting the ALDO business unit in North America.

OUR GOVERNANCE FUNCTIONS

The governance structure of The ALDO Group Inc., a privately owned company, is composed of a **leadership team**, which leads the day-to-day operations, and a **board of directors**, counting two members: Aldo Bensadoun, our founder, and Norman Jaskolka, our chairman. None of the directors on the board are executives of the company.

Our board of directors guides our organization with its wealth of experience. The directors are responsible for providing strategic input on key topics of the utmost importance for our business, as well as sharing their expertise and guidance with the leadership team on an ad-hoc basis as required and during structured monthly meetings.

The leadership team is composed of eight members, three of them women, who each manage different functions of our company and report to Chief Executive Officer David Bensadoun.

- Legal, Human Resources, Communications and CSR
- Finance and Risk Management
- Information Technology
- Supply Chain & Operations
- Global Sourcing
- ALDO Product Services (APS) (Wholesale and Licensing)
- ALDO Group International (AGI)
- ALDO Group North America
- ALDO Brand
- Call It Spring

The role of the leadership team, led by the Chief Executive Officer, is to define the company's business objectives as well as its strategy, and ensure the implementation thereof.

OUR GOVERNANCE FOR KEY CORPORATE SOCIAL RESPONSIBILITY (CSR) FUNCTIONS

Chief People Officer & General Counsel Catherine Ross, a member of the leadership team, is responsible for the CSR function within the company. In this role, she acts as the CSR representative and ensures CSR-related matters, results and important updates are shared with the CEO and appropriate members of the leadership team and the board of directors as required.

The CSR team, which reports directly to the Chief People Officer & General Counsel, oversees the ALDO Group's **CSR strategy**. The team also ensures alignment with the emerging trends and concerns in our industry and works closely with the Legal team to monitor CSR-related laws and regulations, and implement the means for compliance in the markets where we operate. The CSR team also manages the **ALDO Group's climate commitments and leads the implementation of its strategy** with the different business units of our company to ensure alignment with globally recognized frameworks (e.g., SBTi, UN Fashion Charter).

In 2023, we created a new governance function specific to our climate strategy called the Climate Task Force. This governance function is composed of representatives from every department, and its initial purpose was to develop our roadmap in this field. Since then, it has acted on an ad-hoc basis in a consultative role on climate-related matters when needed.

Our strategy for fostering a supportive, respectful, and equitable workplace is also the responsibility of the Chief People Officer & General Counsel and is managed by a cross-functional team composed of human resources and communication professionals. Our strategic approach and its related initiatives are reviewed and approved by the Chief Executive Officer and presented once a year to the board.

Chief Sourcing Officer Jane Chow, a member of the leadership team, is responsible for the **Social Compliance** function within our company. The Social Compliance team is the primary function deploying our social compliance programs with our merchandise suppliers to ensure the respect of human rights throughout our supply chains. The team is also in charge of monitoring our merchandise suppliers' environmental performance through the FEM report, as described previously in this report. A cross-functional team composed of members from the Legal team, the CSR team, and the Supply Chain department, acts as advisors and collaborate with the Social Compliance team as required.

COMPANY GOVERNANCE FUNCTIONS

Board of Directors
2 members

Chief Executive Officer

Leadership Team
8 members

KEY FUNCTIONS OVERSEEING CSR TOPICS

HUMAN RIGHTS

Chief Sourcing Officer
Member of the Leadership Team

Social Compliance
Primary function is to implement the Social Compliance Program and monitor the suppliers' environmental performance.

Cross-Functional Team
A cross-functional team, which plays an advisory role.

CSR

Chief People Officer & General Counsel
Member of the Leadership Team
CSR Representative

CSR Team
Primary function is to define the corporate CSR strategy and targets, and deploy plans with all divisions.

Climate Task Force
Act in an ad hoc consultative role on climate-related matters.

DEI Cross-Functional Team
Implement DEI strategy in our operations and deploy activities.

Third-party Experts
Provide guidance as required on ESG-related risks and/or strategies



OUR GUIDING PRINCIPLES

Policies, guides, and forms lay out the rules of conduct and guiding principles of our business, ensuring alignment with the organization's culture. They provide a framework for maintaining operational integrity and securing standards of conduct for both the employer and the employees.

These guidelines serve as a roadmap for our associates as they navigate day-to-day activities in fields such as:

- **Human Resources:** Discrimination, Harassment and Bullying Policy; Black-out Period Policy
- **Business Conduct:** Business Ethics Policy
- **Information Technology:** Data Security & Privacy Policy; Artificial Intelligence (AI) Workplace Policy
- **Finance:** Indirect Procurement Policy; Responsible Sourcing Policy

Our **Supplier Partnership Manual** is shared with all merchandise suppliers to govern their conduct. It collects all our policies and standards, including those related to the **respect of human rights and the environment, the cornerstone of which is our Vendor Code of Conduct**.

Periodic reviews of these guidelines are carried out by designated cross-functional teams to ensure relevance and effectiveness.

Ethical Business Conduct

At the ALDO Group, ethics serve as the foundation of our journey towards success. By prioritizing ethical practices, we build a reputation rooted in trust and integrity, reflecting our values and paving the way for long-term sustainability and growth. This commitment to ethical conduct shapes our actions and decisions and reinforces our dedication to operating with transparency and accountability in all aspects of our business.

REGULATORY COMPLIANCE MANAGEMENT

Within the ALDO Group, compliance functions sit within key business units of our organization and the Legal Services team provides counsel to the compliance functions when required. The Legal Services team, which assumes a key role in safeguarding the legality of our operations, also leverages our partnerships with industry organizations such as the FDRA, to stay updated on emerging concerns and new laws impacting our industry.

Besides our main responsibilities, our internal legal experts play an integral role in ensuring compliance with laws and regulations related to CSR matters by continuously monitoring evolving legislative standards. Our monitoring efforts extend to various areas, including human rights, environmental regulations such as waste management, accountability and transparency, and communication guidelines for sustainability-related labels.

OUR BUSINESS STANDARDS

At the ALDO Group, we pride ourselves on a culture built on integrity and transparent collaboration with our diverse stakeholders. As part of the onboarding package, all new associates are introduced to our **Business Ethics Policy**, which acts as a guiding framework for ethical conduct and company representation.

This policy sets forth the ethical and legal standards to be adopted by our various associates across the entire spectrum of our operations. The management team assumes the responsibility of fostering an ethical environment, educating associates on business ethics, administering the policy, addressing misconduct, and reporting it to the next level of management whenever needed. In turn, associates are entrusted with promptly informing their managers of any circumstances conflicting with the policy.

The policy, publicly available on our CSR website, explicitly outlines numerous examples of unethical and illegal conduct, and covers the ethics topics below:

- Conflict of interest
- Data privacy
- Falsification of documents
- Corruption and trading in influence

If identified, such misconduct shall not be tolerated, and associates are encouraged to immediately report instances of ethical breaches. In addition, violations of the Business Ethics Policy may lead to legal actions and disciplinary measures, including termination.



ALDO GROUP

REPORTING MISCONDUCT OR VIOLATIONS OF OUR STANDARDS

GIVING A VOICE TO THE WORKERS IN OUR SUPPLY CHAIN

At the ALDO Group, we defined zero-tolerance issues which correspond to very severe violations of human rights. These include forced labour, child labour, and physical abuse. We established fundamental requirements for ethical business practices encompassing fair treatment of workers and focusing on respectful workplaces, and **we strictly prohibit any form of misconduct that compromises the rights or well-being of workers**. This is detailed in our Code of Conduct and examples of misconduct include excessive working hours, all types of discrimination, harassment, unsanitary working conditions, unsafe fire safety systems, and environmental violations, namely those regarding waste, chemicals, water discharge, environmental laws, chemicals, and hazardous materials.

Any non-compliance issues are subject to a corrective or improvement action plan, and we reserve the right to discontinue business if violations of our zero-tolerance issues are found. We provide avenues for continuous improvement and feedback, fostering transparency and accountability throughout our operations and activities to protect the well-being of the workers in our supply chain.

To uphold these standards, **we encourage all workers to report any issues they encounter**. In 2023, we produced informational posters to be hung in the factories producing our products. The posters, informing workers of our standards as they relate to human rights and how to file a grievance report, have since been translated into several languages to cover our sourcing regions. Today, they hang in our partners' factories in China, Cambodia, Vietnam, Indonesia, Bangladesh, India, Morocco, and El Salvador, which together account for ~99% of our business volume.

In addition, this past year we trained our Quality Assurance teams on social compliance standards, indicators of forced and child labour, and how to process workers' grievance reports, should they receive any. This was done as QAs spend much of their time in factories, making them ideally suited to ensure our standards are upheld, and that workers have access to report to any situation that goes against said standards.

FY2025

Zero complaints

reported to the grievance mechanism

Our Impact & Sustainability team manages the reporting program and is committed to investigating and resolving all grievances in a fair and transparent manner.

THE ALDO GROUP ETHICS HOTLINE

We recognize the invaluable role our associates play as vigilant observers on the ground, capable of identifying and reporting instances of misconduct.

As part of our ongoing commitment to nurturing ethical workplace practices, we inaugurated an **independent global Ethics Hotline** in 2017 to offer a confidential tool to handle all complaints. This strategic step solidified our dedication to promoting ethical standards and transparency throughout our organization.

Available to our head office and corporate store associates, the primary mission of this hotline is to empower every member of our community to voice concerns about any discriminatory behaviour or any failure to comply with our company policies that they may witness or experience. Administered by EthicsPoint, a third-party contractor, this free hotline ensures confidentiality, allowing callers to use a code key and remain anonymous. Operating around the clock and available in multiple languages, the hotline serves as a valuable resource for inquiries or reports concerning unethical business practices.

The measures we have implemented are designed to cultivate an environment where every member of our working community feels empowered to support our ethical standards and contribute to the continued success and well-being at the ALDO Group.



Data Protection And Digital Innovation

At the heart of our commitment to our associates lies our data security and privacy policy, which is aligned with the privacy legislation within each jurisdiction where we operate and is periodically reviewed to uphold confidentiality across all our activities and operations.

We are committed to providing clear and transparent procedures for data collection, utilization and storage, and have appointed a data protection officer to oversee compliance. The ALDO Group strives to maintain an array of safeguards that are designed to protect our customers' and associates' personal information from loss and unauthorized access, copying, use, modification, or disclosure.

We understand all associates have a role to play in protecting our organization and IT environment, so in 2023 we developed a revised version of our security policy to protect ourselves against ever-evolving cyber security risks. All associates must comply with this policy as part of their onboarding, and it addresses a wide range of topics, including:

- Physical security
- Security threat prevention
- Authentication
- Data protection
- Reporting security incidents
- Cyber security vigilance and best practices

In FY2024, we further strengthened our data privacy framework. To aid customers, we revamped our privacy policies to provide greater transparency, we reviewed our cookie management to bring it up to the highest industry standard, and we provided customers with new tools they can use to exercise their rights. Internally, we integrated best privacy practices in all our initiatives involving partners and employees, and we've built a dedicated data privacy course, to launch FY 2025, that'll teach associates how to handle the data of all stakeholders, including their own.

OUR DIGITAL PROTECTION MEASURES

At the ALDO Group, we recognize the importance of safeguarding our customers' privacy and protecting their personal information, and we're committed to upholding the highest standards of security and privacy to maintain their trust and confidence.

We've implemented cutting-edge security technologies such as multi-factor authentication (MFA) and encryption protocols to enhance security and better protect the data of associates a stakeholders throughout our network, both during transmission and storage, whether online, on our website, on our mobile applications, or in our stores.

In FY2025, to keep the ALDO Group and its associates safe in cyber space, we introduced a new security measure called Darktrace. This software scans links in emails, checks out the sites being linked to, and blocks associates from accessing if it deems the site dangerous – simple as that.

In FY2025, we also reinforced our commitment to protecting personal data for both clients and employees. We undertook a complete revamp of our Terms of Service, Privacy Policy, and Cookie Policy to align with the evolving Shopify environment. We also strengthened our processes for managing individual rights requests.

This is all part of the ALDO Group's proactive approach to data security and governance, as we continuously review and adapt to regulatory changes and emerging technologies, including AI, to keep data secure and maintain leadership in privacy practices.

FY2025

100%

of our associates completed **our Cyber Security Awareness and Training Program**

The phishing simulation click-through rate increased to an average of

7.7%

across multiple simulations in 2025 (from 3.8% in 2024), highlighting the need to further strengthen cyber security awareness program.



OUR AI REVOLUTION IS UNDERWAY

As advancements in artificial intelligence (AI) continue to shape our society, it is crucial for companies to navigate these innovations thoughtfully. As a responsible company, we're committed to leveraging AI's potential to enhance our operations, driving efficiency and innovation, while upholding the utmost ethical standards and safeguarding stakeholder interests. We truly believe that our success depends on people and on human qualities like creativity, empathy, and emotion.

2023 saw significant integration of AI in our operations with the launch of several projects, such as the Revenue Management Capstone project with McGill University and the Generative AI and Machine Learning project borne from the Retail Gen AI Hackathon. In 2024, we made major advancements in these AI projects that optimize our operations and sustainable practices.

► Revenue Management Project

Thanks to the support of a grant from SCALE AI in 2023, our teams developed – in partnership with IVADO Labs, Retailogists and ITL – solutions that aimed to refine demand and sales forecasting through machine learning across our operations, enhancing decision-making and operational efficiency.

In 2024, we made significant progress in advancing this project, marked by the successful deployment of a new internal demand forecasting tool. This tool is now actively used and plays a crucial role in enhancing our inventory management. By providing more accurate demand predictions, it enables us to improve our inventory management. Finally, optimizing our order fulfillment processes helps us ship more efficiently, leading to better logistics and reducing greenhouse gas-related emissions in the long run.

► Capstone Project with McGill University

With an eye for optimizing return management, we collaborated on a capstone project for fit prediction in 2023 and successfully implemented the solution in our operations in 2024. By predicting product fit, we aim to reduce returns, which will not only enhance customer satisfaction, but also help improve the sustainability of our retail operations.

► Retail Gen AI Hackathon

In mid-November, we hosted the third annual Retail Gen AI Hackathon together with McGill University's Bensadoun School of Retail Management and McGill's Data Sphere Lab.

Ten teams, 50 students from various programs, all given only two days to ideate, design, build, and present their technological solution meant to change the retail industry – no pressure!

With the help of mentors from the ALDO Group as well as Amazon Web Services and McGill's faculty, teams worked on their solutions tirelessly before presenting their solutions to a jury. The winner? Whisper, an AI-powered assistant designed for store associates that will fit in an earbud, listen in on the associate's conversation with a customer, and suggest responses to help them close the sale.







AI GOVERNANCE AND TRANSPARENCY

In alignment with these technological strides, we've also focused on strengthening the governance framework surrounding AI use within the ALDO Group. We place ethical principles at the forefront of our AI integration and strive to minimize risks, drive innovation, promote trust, and gain valuable insights to make informed decisions in the digital age.

In 2023, we introduced a comprehensive AI workplace policy alongside detailed guidelines to ensure the responsible deployment of AI technologies across all our operations. These documents, designed to evolve alongside technological advancements, outline our three key principles:

1. Using AI responsibly
2. No infringement on existing copyright & intellectual property
3. Cautiousness with data

These principles serve as constant reminders to be mindful when using AI tools.

► Whitelist of Generative AI Tools

As part of our ethical integration approach, we've curated a whitelist of approved generative AI tools for our associates to use. Each tool undergoes rigorous evaluation to confirm its adherence to our security standards and ethical criteria, ensuring safe and beneficial use in our workplace.

► AldoWise

Anticipating the need for a tailored solution, we developed AldoWise, an AI application designed specifically for the ALDO Group. It features secure Retrieval Augmented Generation (RAG) capabilities and accesses our internal knowledge base to provide precise, context-relevant insights.

In 2025, we continued to strengthen our AI governance framework to ensure responsible and ethical use of AI across all operations and client-facing activities. We actively monitor regulatory and technological developments and adapt our governance accordingly. This year, we initiated a comprehensive review of our AI policy, including the curated list of whitelisted applications, to maintain security and compliance.

We are strong believers in AI as a catalyst for productivity and innovation. As a leader in AI adoption, we want to provide our employees with the tools, resources, and guidance they need to leverage AI effectively and responsibly.

In parallel, we advanced our work on privacy, reinforcing data protection measures into our AI processes. Through these actions, we remain committed to transparency, accountability, and trust in every aspect of AI adoption.

Partnerships & Collaboration

PARTNERING FOR SUCCESS

Addressing the enduring sustainability challenges in the global fashion industry requires a systemic transformation that goes beyond the capacity of any single company. Collaborating with multiple stakeholders to achieve common objectives allows the ALDO Group to leverage diverse strengths for positive change in the industry as a whole. Partnerships with fellow companies, leading experts, and non-governmental organizations (NGOs) serve as key drivers for fostering innovation, setting guidelines, and sharing best practices in sustainability.

BetterWork

RCC RETAIL COUNCIL OF CANADA

Cascale

FDRA

SOCIAL & LABOR CONVERGENCE

THE FASHION PACT

Fashion for Climate

LEATHER WORKING GROUP

SGS

GRI Content Index

STATEMENT OF USE	ALDO Group has reported the information cited in this GRI content index for the period February 4th, 2024, to February 1st, 2025, with reference to the GRI Standards.	
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