

2022

50 years of commitment to our community and to our planet

ALDO GROUP



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In 1972, ALDO sold its first pair of the iconic Frida clog. Since then, many fashion trends have come and gone, but our commitment to being a company that cares has remained intact.

The year 2022 marked 50 years of the ALDO Group. This anniversary was an opportunity to celebrate our achievements, but also to reflect on the footprint we want to leave for the next 50 years.

Our vision for our company is one of longevity and sustainability. Social consciousness has always been at the heart of the ALDO Group's actions, as we strive to move the world forward and influence society not only in the field of fashion, but also in terms of social responsibility.

In 2013, long before it was the norm, we calculated our carbon footprint and set a baseline for improvement. Since then, we have reduced carbon emissions from our operations, stores, and offices by 79% compared to our 2013 levels. We have also improved upstream in our supply chain, where we have lessened our impact by using more sustainable materials for our products and reducing the amount of packaging we use, for instance.

We can't know for sure what the future will bring, but one thing is certain. We will uphold our commitment to our community, to our associates, and to our planet. Because how we do business and give back is guided by our values and our purpose: *A journey to create a world of love, confidence and belonging*.

I am proud to present the ALDO Group's 2022 Corporate Social Responsibility brochure, which gives a glimpse of our most recent initiatives and commitments to our planet and its people.

David Bensadoun
CEO, The ALDO Group



Putting people at the heart of everything we do

From my first day at the ALDO Group, I was impressed by the incredible diversity of its associates and by the passion that inhabits all its teams. This passion is fuelled by a unifying corporate culture as well as a commitment to social causes and to the environment that transcends borders.

Fifty years ago, Aldo Bensadoun's dream was to create a people-first company founded on compassion and ethics. Today, his son David, turned towards the future, is following in his footsteps.

Acting responsibly as a corporate player can take many forms. For the ALDO Group, one of our top priorities has always been to take care of our people and ensure that they work in an inclusive, safe and stimulating environment.

We are also committed to promoting respect for the human rights of our associates, of the workers in our supply chain and of the communities in which we operate. This is a challenging and complex task for a global company, but we approach it with rigour and determination, guided by our desire to put people at the heart of everything we do.

Catherine Ross
Chief People Officer and General Counsel
CSR representative on the Executive Committee

CSR Strategy

VISION OF OUR IMPACT – 2023-2030

Like the world around us, social and environmental issues are constantly evolving. In 2021, in order to remain a leader in CSR, we initiated a process to assess how the ALDO Group could contribute more and have a positive social, environmental and economic impact.

We conducted a trend analysis, surveyed our stakeholders (teams, suppliers, partners, franchisees, NGOs, etc.) and performed a materiality assessment together with independent experts. This enabled us to identify **three pillars** and **eight priorities** on which we wish to act and have an impact. This renewed vision will guide our actions for years to come.

Planet

Create and source products we love with positive intent

Source more responsibly

Reduce our global footprint

Improve the way we work

People

Inspire a better tomorrow for everyone

Ensure the well-being of our associates and promote diversity, equity, and inclusion

Enrich our communities

Protect the workers in our supply chain

Responsible Business

Involve everyone to drive sustainable action

Engage and protect our customers

Act ethically and with integrity

Communicate our progress

2030 is an important milestone in the fight against climate change. By adhering to the Fashion Industry Charter for Climate Action, the ALDO Group has committed to reducing its greenhouse gas emissions by 45% for all its direct and indirect operations by 2030.

SUSTAINABLE DEVELOPMENT GOALS

The ALDO Group's approach is aligned with the UN's **Sustainable Development Goals**, which outline a path to a better and more sustainable future for all.

In particular, the ALDO Group's CSR strategy contributes to the following objectives:





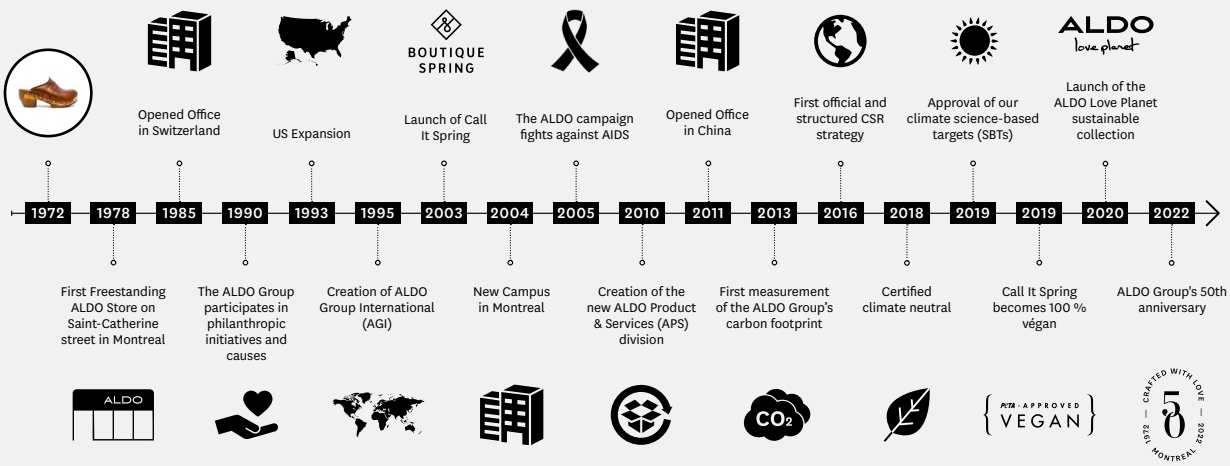


Celebrating our 50th anniversary in style while respecting our values!

From the humble beginnings of the ALDO Group in 1972 to the present day, we are proud to have always acted according to our values of Love, Respect and Integrity.

In 2022, we celebrated our 50th anniversary in style and highlighted how the company has evolved to become what it is today.

> "Over 50 years, every brand goes through ups and downs. You have to be resilient. You have to be strong to stay alive. And, basically, you have to stick to your goals and to your purpose."
>
> **ALDO BENSADOUN,** FOUNDER OF THE ALDO GROUP



Low-impact materials for a sustainable future

We are always on the lookout for innovative and more low-impact materials that we can integrate to our collections, while maintaining the quality and durability of our products. Examples include water-based polyurethane, Global Recycled Standard (GRS) certified recycled materials and post-consumer waste.

In 2022, a third of our ALDO and Call It Spring products were made with a minimum of 20% recycled polyester (PET) and nearly half with at least 20% recycled polyurethane. These recycled materials were used as a main component of our shoes or were integrated into their lining and insole. This reduced the environmental impact of these styles and the GHG emissions associated with their manufacturing.

CORN-BASED LEATHER AT ALDO

A new leather alternative, this plant-based corn material helps reduce carbon emissions and use of non-renewable energy sources. It is featured in the uppers of our women's Mirai and men's Eisingen sneakers.



Style Eisingen in the Love Planet men's collection, Spring-Summer 2022

RESPONSIBLE LEATHER SOURCING: A PRIORITY

Leather is a natural material that has been used by our company since the beginning and is known for its longevity and repairability. As one of the basic materials in the making of our shoes, our company places particular importance on sourcing leather in a responsible and transparent manner.



The ALDO Group is committed to animal welfare. We have implemented a strict ethical sourcing policy which is available on our website.

As a member of the Leather Working Group, we work with other brands, retailers, tanners, manufacturers and experts to improve traceability as well as the environmental performance of the leather industry.



SUPPORTING CIRCULAR FASHION

As a Building Partner of mmode, a non-profit whose mission is to propel and promote Montreal's fashion industry, we were proud to present the Circularity Distinction Award to Annette Nguyen, LL.B., the entrepreneur behind the Petit Shwap Club, at the 2022 edition of the mmode gala. The ALDO Group's journey towards sustainability started in 2013 and it was a privilege to support the next generation of retailers by awarding a $10,000 bursary to a company that stands out for integrating circular economy practices and a sustainable strategy into its business.

Catherine Ross, our Chief People Officer and General Counsel, who is also a member of the mmode board of directors since 2020, handed the award to Alexandra Furlotte & Florence Simard-Boivin who represented Annette Nguyen at the gala.

#ALDOFOREST

In 2022, for Earth Day, ALDO Group International's partner in the Asia-Pacific region made the world a little greener by allowing shoppers in Vietnam, Malaysia, Thailand, Singapore, India and Indonesia to adopt a tree with any purchase of a product from the ALDO Love Planet collection. They worked in collaboration with New Growth, a reforestation organization, and together, they planted 1000 trees in Nepal on behalf of shoppers.



The ALDO Group voluntarily participates in the CDP by disclosing its GHG emissions on an annual basis. In 2022, the ALDO Group achieved a B grade (on a scale from A to F) for Management. According to the CDP, that means the ALDO Group has considered the impact of its activities on the environment and ensured proper environmental management.

CDP
DRIVING SUSTAINABLE ECONOMIES

Our stores contribute to the energy transition

We have been engaged in the fight against climate change for several years. Our involvement includes reducing the carbon footprint of our stores through the use of renewable energy and the implementation of energy efficiency programs.

As a result, most of our corporate stores in Canada and the United States are heated and lit with renewable energy.

CORPORATE STORES POWERED BY GREEN ENERGY

Canada

64
STORES (QUEBEC)

United States

19
STORES (ILLINOIS, MARYLAND, NEW JERSEY AND TEXAS)*

**For these stores, the ALDO Group purchases Renewable Energy Certificates (RECs). RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electrical grid from a renewable energy resource.*

ENERGY EFFICIENCY

In order to improve the energy efficiency of our corporate stores, 176 of them are currently equipped with an HVAC Energy Management System (EMS): a computerized mechanism that regulates the heating, cooling and ventilation components in a building to optimize their use and save energy.

CORPORATE STORES EQUIPPED WITH AN EMS OR AN HVAC CONTROL SYSTEM

Canada

17	11	20	17
ALDO & ALDO ACCESSORIES	ALDO OUTLETS	CALL IT SPRING	GLOBO

United States

80	31
ALDO	ALDO OUTLETS

Furthermore, since 2015, 124 corporate stores have benefited from a partial or full retrofit and are now equipped with energy-efficient lightbulbs (LED). These lightbulbs produce light up to 90% more efficiently than incandescent lightbulbs.[1]

LED LIT CORPORATE STORES

Canada

21	10	15	16
ALDO & ALDO ACCESSORIES	ALDO OUTLETS	CALL IT SPRING	GLOBO

United States

39	23
ALDO & ALDO ACCESSORIES	ALDO OUTLETS

All new corporate stores incorporate sustainable criteria into their design and are fully lit with LED lightbulbs.

1. Source: Energy Star

The ALDO Group recognized as a great place to work!

The ALDO Group was **Great Place to Work**-certified in Canada and the USA as well as recognized as a 2022 Best Workplace in Quebec, and named one of the Best Workplaces in Retail & Hospitality and one of the Best Workplaces for Hybrid Work. Great Place to Work recognizes employers who create an outstanding employee experience an amazing workplace culture.



According to an annual VOA (Voice of the Associate) survey, **83%** of ALDO Group associates believe that the company is environmentally responsible, **87%** believe that the organization has good DEI (Diversity, Equity & Inclusion) initiatives in place, and **90%** believe that it offers an inclusive workplace.

RECOGNITION: AN ESSENTIAL ELEMENT OF WELL-BEING AT WORK

Twice a year, FUTURE highlights the outstanding performance, effort and overall attitude of associates who have truly excelled. This peer-to-peer recognition program includes two categories: Ambassador, which recognizes associates who have done outstanding individual work while always staying true to our values of Love, Respect and Integrity, and Collaboration, which celebrates associates who have been part of a team that exhibited outstanding collaboration, innovation and creativity.





CLUB ÉLITE: CELEBRATING EXCELLENCE

For the past 34 years, CLUB ÉLITE has been the ALDO Group's unique and innovative way of recognizing its top performers in retail management and sales. The annual contest rewards full-time and part-time associates from all over the world that make customer service their priority. Quarterly winners are announced to the entire organization, and yearly winners are celebrated in a special way, be it a grand ceremony or a luxury getaway. The ALDO Group is the only retail enterprise to offer its people a recognition program of this scale.



HOW DO WE KEEP OUR ASSOCIATES SAFE AT WORK?

Ten associates compose the ALDO Group head office Health & Safety Committee, which works hard to provide answers to this critical question.

The committee's mandate is to address health and safety concerns raised by associates or management, as well as to conduct audits of our work environment to prevent any further problems that may arise. It assesses the concerns, finds solutions, and then assists management in implementing the proposed solutions and action plans for our distribution centre, head office, and Customer Contact Centre.

Diversity, Equity & Inclusion

WOMEN'S LEADERSHIP

We are committed to women's leadership and believe that gender diversity on executive and leadership teams positively contributes to business performance.

In 2022, the majority of our global workforce was made up of women:

70%
OF HEAD OFFICE ASSOCIATES, INCLUDING OUR DISTRIBUTION CENTRE

74%
OF STORE ASSOCIATES

73%
OF ALL ASSOCIATES

56%
OF OUR MANAGEMENT TEAM, CALLED TEAM ONE

ROE V. WADE – THE ALDO GROUP SUPPORTS ITS ASSOCIATES

We believe the rights of every individual must be respected and that an individual's bodily autonomy should not be subject to decisions by lawmakers. Therefore, in the wake of the U.S. Supreme Court's reversal of the Roe v. Wade decision on abortion, the ALDO Group has decided to stand by and support associates who may seek these health services.

For associates covered by our group insurance plan in the United States, abortion services (both elective and non-elective) are already included as part of our plan's health protection. Furthermore, we have added additional protection to our US group insurance plan to cover travel expenses incurred when seeking medical care that is unavailable in an insured person's region. This special benefit will be added to our existing group insurance plan in the US, at no extra cost for insured associates.

ACE PROGRAM: A SECOND SUCCESSFUL COHORT

During the summer of 2022, as part of our ACE (ALDO Career Experience) program, 13 store associates had the opportunity to intern at the head office and discover new roles within the company. This unique program offers our store associates the chance to gain experience, see what goes on at our headquarters, and share their perspective from the front lines.

ACE not only cultivates diversity and inclusion at all levels of the company, but also encourages and facilitates our store associates' transition to permanent positions at the head office. The program has given rise to many inspiring stories and we are proud to say that **half of last year's cohort now works at our head office**!



In 2022, 95% of our new associates completed a training on diversity and harassment in the workplace to help raise awareness.

Community engagement

Our involvement in the community is a crucial part of our identity and we support initiatives in many ways: by participating in fundraising events, by sponsoring activities, by donating products and by giving time to different causes.

Every year, the ALDO Group organizes giving and volunteering activities around the Holidays. Namely our traditional **Bouts d'chou activity**, where children from underprivileged backgrounds can experience a special celebration thanks to our collaboration with the Centre de pédiatrie sociale de Saint-Laurent, and leave with backpacks filled with boots and essential items to help them get through the harsh winters of Quebec. Also, our very popular **Giving Tuesday** event, hosted on the last Tuesday of November every year, brings together many of our head office volunteers to fill backpacks with various useful donations for some of Montreal's homeless youth who visit our long-standing partner Dans la rue's institution.

Every year, **15 paid volunteering hours** are given to all full-time associates of our head office and international offices to encourage them to get involved in a cause of their choice. From May 1, 2021, to March 12, 2022, our head office associates accumulated a total of more than 381 hours of volunteer work.

A BOX FOR THE BETTER

In collaboration with Give Back Box, a non-profit organization that offers a simple way to help those in need, our Call It Spring and ALDO brands encourage customers to donate gently used shoes, clothing and accessories by filling a box and mailing it back. Shipping is free and easy, and donations are given to various charities such as the Salvation Army and Dress for Success.

During the 2022 holiday season, the ALDO Group donated more than **1000 pairs of shoes, 150 handbags and several boxes of accessories and shoe-care products** to people in need.

As part of this major donation, we also organized a fundraiser with our associates, who generously participated by donating clothing, shoes and accessories from their closets to the organization. Thanks to this unique partnership, the ALDO Group takes responsibility for end-of-life items by encouraging its customers to give a second life to their fashion items that are still in good condition, while contributing to a good cause.



THE ALDO GROUP'S FAIRY GODMOTHERS

For several years, the ALDO Group has supported *Les Fées Marraines* in its mission to promote social inclusion, self-fulfillment, and academic perseverance among secondary 5 students who come from vulnerable backgrounds by providing them with free complete outfits (including, you guessed it, SHOES!) for their graduation party as well as the possibility of obtaining post-secondary scholarships.

Over the years, the ALDO Group has supported *Les Fées Marraines* by outfitting 400 students with dress shoes from ALDO and Call It Spring, as well as handbags and accessories, in order to give them a prom they'll never forget. This year we offered the same experience to **75 students**, resulting in a total of 475 happy faces. And that's not all, as **13 fairies of the ALDO Group** volunteered to help style the teens for their big day!

APS MAKE IT COUNT: A TEAM WITH A BIG HEART!

Since getting underway during the pandemic, the APS *Make It Count* fundraising group has been busy supporting children and families throughout Montreal. Here's their impact since 2020 – by the numbers!



- **$20,760** raised for the Montreal Children's Hospital Foundation through their holiday concerts.
- **300 backpacks** filled with goodies distributed to new immigrant teenagers in Saint-Laurent in association with the Carrefour Jeunesse Emploi.
- **100 kids** sent to YOPI Summer Camps for one week with lunch and backpacks filled with essentials.
- Together with GLOBO, they outfitted **15 teenagers** from the Brigade de Neige with winter boots so they could help people in their community by shovelling snow.
- Worked with the Welcome Collective to donate **countless gently-used items** to support vulnerable families.
- They've supported **two families who each had a lost a parent**. A family with five children lost their father, and a family with three young girls lost their mother. Make It Count donated gifts, gift cards, toys and other items to help them through this tragedy.

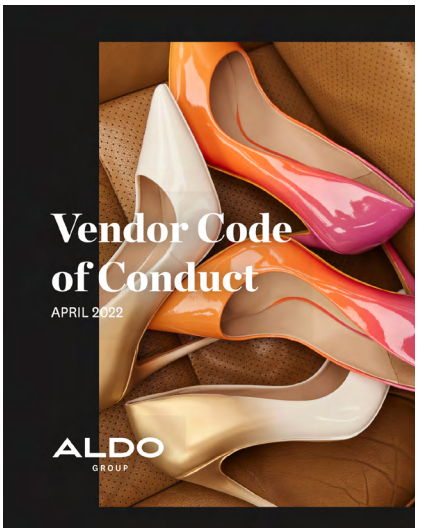
Supply Chain

The ALDO Group operates in a complex ecosystem of an ever-changing world. As a fashion company, we are aware of the impact of our industry and are committed to doing our part.

Guided by our purpose, we aim to conduct our business with the highest ethical standards.

RELATIONSHIPS WITH OUR SUPPLIERS

We are committed to developing business partnerships based on trust and collaboration. We believe that it all starts by selecting suppliers who share our commitment to be socially and environmentally responsible. We are continuously collaborating with our partners and measuring performance with industry standardized tools. As needed, we provide training and implement improvement or corrective plans.



In 2022, we revised our **Vendor Code of Conduct**. Aligned with industry best practices and the International Labour Organization's standards, it sets the criteria for doing business with the ALDO Group and defines our requirements concerning human rights, fair treatment of employees, occupational health and safety, environmental impact mitigation and ethical business practices.

SUPPLIER SOCIAL AUDIT PROGRAM

As a member of the Sustainable Apparel Coalition (SAC) and signatory of the Social Labour Convergence Program (SLCP), we have opted for the **Higg Facility Social and Labour Module (FSLM)** as the main tool for factory control. The objective of the social audit program is to ensure that the working conditions offered by all our suppliers and manufacturers comply with our code of conduct, as well as with international labour standards.

Our recent progress:

› In 2022, 99% of all our active strategic supplier factories have an internally reviewed and validated social audit report.

› Of the audit reports submitted, 79% are part of SLCP or Better Work.

› 96% of all our suppliers have received good ratings, i.e., green, yellow or orange ratings.



At the ALDO Group, we are known for our commitment to our people, our planet, and the world we live in. Reflecting our values of Love, Respect and Integrity, corporate social responsibility extends to every level of our business.

It all began with Mr. B's vision of influencing both fashion and society, and this has been at the core of our company since it was founded in 1972.

As we celebrate our journey over the past 50 years and our most recent achievements in this brochure, we're conscious of the path ahead of us to leave a positive mark on the environment and our communities. We look to the future with inspiration and confidence, and move forward with determination towards our purpose: **A journey to create a world of love, confidence and belonging.**

The power of collaboration

We believe in helping each other within the industry to address systemic issues and achieve common goals. That is why the ALDO Group is a member of the **Fashion Pact** and the **Sustainable Apparel Coalition (SAC)**, as well as a proud signatory of the **UN Fashion Industry Charter for Climate Action**.

THE FASHION PACT

Sustainable Apparel Coalition

“A journey to create a world of love,
confidence, and belonging.”

ALDO
GROUP