

Active Apparel Group(AAG HoldCo Pty Ltd)

Disclosure Report Date Submitted: August 14th, 2024



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

- Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's certification process
- 2) Breaches of the B Corp Community's core values as expressed in our Declaration of Interdependence

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



Disclosure Questionnaire

Industries and Products

Yes No Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts Chemicals** $\overline{\mathbf{A}}$ **Disclosure Alcohol Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\overline{\mathbf{A}}$ <u>Industries</u> Fossil fuels Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\boxed{}$ **Phase Out** Industries at Risk of Human \square **Rights Violations Monoculture Agriculture** \square **Nuclear Power or Hazardous** \square **Materials** Payday, Short Term, or High **Interest Lending** Water Intensive Industries $\overline{\mathbf{A}}$ **Tax Advisory Services**

Outcomes & Penalties

	Yes	No	
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.			
Anti-Competitive Behavior		\checkmark	
Breaches of Confidential Information		K	
Bribery, Fraud, or Corruption		V	
Company has filed for bankruptcy			
Consumer Protection		V	
Financial Reporting, Taxes, Investments, or Loans		N	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		N	
Labor Issues		V	
Large Scale Land Conversion, Acquisition, or Relocation		N.	
Litigation or Arbitration			
On-Site Fatality		V	
Penalties Assessed For Environmental Issues		V	
Political Contributions or International Affairs		K	
Recalls	✓		
Significant Layoffs	V		
Violation of Indigenous Peoples Rights		V	
Other		V	



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		V
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		N
Company prohibits freedom of association/collective bargaining		V
Company workers are prisoners		
Conduct Business in Conflict Zones		\checkmark
Confirmation of Right to Work		\
Does not transparently report corporate financials to government		\searrow
Employs Individuals on Zero-Hour Contracts		\searrow
Facilities located in sensitive ecosystems		\vee
ID Cards Withheld or Penalties for Resignation		\vee
No formal Registration Under Domestic Regulations		\vee
No signed employment contracts for all workers		V
Overtime For Hourly Workers Is Compulsory		V
Payslips not provided to show wage calculation and deductions		V

	Yes	No
Sale of Data		\vee
Tax Reduction Through Corporate Shells		V
Workers cannot leave site during non-working hours		Ŋ
Workers not Provided Clean Drinking Water or Toilets		\searrow
Workers paid below minimum wage		N
Workers Under Bond		V
Other	N.	

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		\checkmark
Child or Forced Labor		\checkmark
Negative Environmental Impact		\checkmark
Negative Social Impact		\checkmark
Other		\checkmark



Disclosure Questionnaire Category: Penalties

Issue Date	February 2023, September 2022, April 2022
Topic	Claim related to complaints about Social Insurance and Housing Fund compliance, emergency and health safety compliance.
Summary of Issue	Active Apparel Group (AAG HoldCo Pty Ltd) is an apparel manufacturer headquartered in Australia with facilities in China. In 2024, the company received a complaint from their employees in China regarding the social insurance and housing compliance payment amount differences. The company has received two complaints in China for not properly documenting employee safety training and one complaint for missing or damaged labels on their fire protection systems.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The total value of the claims was approximately 204439 RMB, representing less than 1% of the total revenues for fiscal year 2023.
Impact on Stakeholders	These cases have impacted the company's employees in China.
Resolution	The company has paid the requested compensation for the social insurance and housing fund complaint and has remediated the findings related to emergency and health safety compliance.
Management Practices	Since 2023, all employees based in China have been covered by social insurance and housing. To compensate for the gap in social insurance and housing, the company has implemented an additional subsidy for all affected employees. The company has reviewed their safety training processes and procedures and has implemented new work health and safety policies. The company has also implemented the authorities' suggestions, and no new cases related to health and safety have been reported.
Related Incidents (Yes/No)	No



Disclosure Questionnaire Category: Chemical Intensive Industry

Active Apparel Group (AAG HoldCo Pty Ltd) is involved in the production/sale of products, or is part of an industry that can potentially be classified as chemical intensive, meaning that they are more likely to have significant impacts on the environment, such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals if the use and disposal of chemicals are not properly managed. Certified B Corps are required to make transparent their involvement in such activities or industries.



Disclosure Questionnaire Category: Energy and Emissions Intensive Industry

Active Apparel Group (AAG HoldCo Pty Ltd) is involved in the production/sale of products, or is part of an industry that can potentially be classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such activities or industries.

Any party aware of specific company practices that have had a negative impact related to their involvement in the sensitive industry, and which may constitute a violation of the B Corp standards, may contact us via our <u>public complaints procedure</u>.



Disclosure Questionnaire Category: Recalls

Active Apparel Group (AAG HoldCo Pty Ltd) reported conducting One recalls in the past five years, representing <1% of the company's products for the same period (2021). When a product is recalled, various stakeholders such as customers, suppliers, investors, commercial partners, and local communities may face negative impacts, including health and safety risks, financial losses, loss of trust, damage to credibility, and other inconveniences. Certified B Corps must make their recalls transparent under their B Corp Profile.



Disclosure Questionnaire Category: Significant Layoffs of >20% of the Workforce

Active Apparel Group (AAG HoldCo Pty Ltd) experienced significant layoffs of more than 20% of the workforce within the last five years. Certified B Corps are required to make transparent when such practices have occurred.

Any party aware of specific company practices of this company related to their layoffs that were inappropriate, and which may constitute a violation of the B Corp standards, may contact us via our <u>public complaints procedure</u>.



Disclosure Questionnaire Category: Water Intensive Industry

Active Apparel Group (AAG HoldCo Pty Ltd) is involved in the production/sale of products, or is part of an industry that can potentially be classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such activities or industries.

Any party aware of specific company practices that have had a negative impact related to its involvement in these or other controversial industries, and which may constitute a violation of the B Corp standards, may contact us via our <u>public complaints procedure</u>.