BELLA+CANVAS Fair Compensation Commitment Statement

COMMITMENT

At BELLA+CANVAS, we believe that every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. As a Participating Company affiliate of the Fair Labor Association (FLA), we have already committed to paying at least the minimum wage or the appropriate prevailing wage, whichever is higher, complying with all legal requirements on wages, and providing any fringe benefits required by law or contract, and we expect our business partners, including contractors, suppliers, and agents, to uphold the same standards. Aligned with the FLA Fair Labor Code and Compliance Benchmarks, our Workplace Code of Conduct and Social Compliance Manual declare that where compensation does not meet workers' basic needs and provide some discretionary income, our suppliers shall work with BELLA+CANVAS to take appropriate actions that seek to progressively realize a level of compensation that does. BELLA+CANVAS recognizes fair compensation as a human right and works with the FLA to uphold that right.

Driving our commitment to promote fair compensation in the places we operate, the FLA is a strategic partner, which offers guidance, provides forums for development, and evaluates our performance. As such, we rely upon FLA's Fair Compensation Strategy as a framework, as well as FLA's data collection tools and analytics dashboard, for furthering our fair compensation efforts in our own business and supply chains.

APPROACH

Based on the FLA framework, we have created an eight-point "Fair Compensation Blueprint" defining our approach. To summarize, this includes:

1. *Collect, Review, and Analyze Data*
   Since 2022, we have been collecting wage data across owned factories and suppliers, reviewing the data in the FLA Fair Compensation Dashboard, and analyzing factory wages both against nationally and internationally accepted benchmarks and in comparison, to other factories in our supply chain. Although there is no consistently accepted amount or definition of "fair compensation" or "living wage" (two terms widely referenced and which the FLA uses interchangeably), the FLA Dashboard enables us to visualize potential gaps between current wage levels and Fair Compensation benchmarks. The FLA uses wage benchmarks as guideposts to understand workers' wages in specific countries and regions. These guideposts are a tool for companies to determine fair compensation progress. We have selected the Global Living Wage Coalition (GLWC) benchmark and the MIT Living Wage Calculator benchmark as such guideposts. GLWC and MIT are reputable benchmarks against which to track performance and toward which to strive. These regularly updated benchmarks are tailored to local characteristics of household size, food costs, housing, health, and transportation costs, and saving needs.

2. *Gather Feedback*
   Our Social Compliance Department and external consultants present summary data to internal leaders, BELLA+CANVAS-owned factory management, and relevant vendor management representatives to gather feedback with respect to the analysis. Such feedback sessions have already provided opportunities for various teams and levels of management to understand the data as well as inform the collection/analysis team to better hone goals and capture relevant benefits.

3. *Set Goals*
   We have set several long-term and interim goals, among these:
   - Annually complete wage data collection and analysis for 100% of BELLA+CANVAS-owned production facilities;
   - Annually complete wage data collection and analysis for 100% of strategic contract sewing suppliers;
   - In the unlikely event of a minimum wage violation, immediately remediate it;
   - Annually report on progress internally, to FLA, and to key stakeholders;
   - Starting in 2024, conduct annual wage data collection and analysis on 100% of our owned distribution centers; and
   - By 2025, we aim to begin including wage data from our most critical upstream suppliers (dyeing and beyond).

4. *Communicate and Engage*
   On an annual basis, our Social Compliance team will coordinate with cross-functional leaders and Production department representatives to:
   - Provide updates and collect feedback on the program internally,
   - Share developments with and gather feedback from both management of owned facilities and suppliers who participate in the data collection as well as local stakeholders who have been engaged in other aspects of our efforts, and
   - Share information with the FLA about establishing the program, goals, and initial progress.

5. *Plan and Operationalize*
   In 2023, we laid out a broad workplan toward Fair Compensation and began implementation. In 2024, following third-round data collection, we plan to hone the workplan and revise as necessary. Among plan components are hypotheses and interventions, which we plan to test, for increasing average wage levels in production facilities.

6. *Measure Progress*
   Our Social Compliance Department, in coordination with other departments involved, will conduct annual data collection of all owned facilities, strategic suppliers, and a growing number of upstream suppliers. The Department will measure factories' performance against one another and against the GLWC and MIT benchmarks, where available. Where neither the GLWC nor MIT benchmark is available, we will consult with the FLA to determine a relevant local benchmark. Related data collection and analysis will continue to be conducted using the FLA Wage Data Collection Tool and FLA Fair Compensation Dashboard.

7. *Report*
   Further to this Statement and our Fair Compensation Blueprint, we will annually report about progress on our Fair Compensation activities internally, to FLA, and to other key stakeholders.

8. *Improve and Adjust*
   We are beginning our Fair Compensation journey with a broad plan, an initial set of goals, and hypotheses about how we can improve compensation in our supply chain through efficiency, leverage, higher-value products, and higher-value operations. We expect that we will need to tweak our plans as we further engage in this effort. Therefore, the Social Compliance

Department will regularly lead data collection, evaluate potential noncompliance's, engage stakeholders, and brief company leaders and cross-functional peers. On an annual basis, we will (a) report on progress internally, to FLA, and to key stakeholders and (b) formally communicate any significant adjustments in our approach.

ACCOUNTABILITY

To implement Fair Compensation, we recognize that we must first maintain Responsible Purchasing & Production Practices. In 2022, we launched our first Responsible Purchasing & Production Policy, describing how design, forecasting, sales and marketing, sourcing, and production planning processes must be conducted in ways that facilitate –not hinder– factories in upholding our Workplace Code of Conduct. Implementation is led by our Director of Social Compliance, who regularly engages subject matter experts and civil society organizations to ensure relevance and inclusion of timely guidance and feedback. Such civil society organizations include those involved in the Americas Group, and those participating directly with the Fair Labor Association.

To ensure accountability, we rolled out cross-functional training and follow-up engagement on the Policy, and we updated relevant job descriptions to include responsibilities addressing respective Responsible Purchasing & Production Practices. While implementing our Responsible Purchasing & Production Policy and Fair Compensation Commitment Statement is led by our Director of Social Compliance and extends across multiple cross-functional teams, accountability for the Policy and Statement rests with our Head of Production and President, respectively.