

# BELLA+CANVAS®

## BELLA+CANVAS Statement on Prevention of Modern Slavery

At BELLA+CANVAS, LLC (collectively with our subsidiary entities, “BELLA+CANVAS”), we take our social responsibility seriously. Operating in an industry that has seen heightened risks in some of the worst forms of violations to people’s human rights, we strive to establish and maintain a system that prevents slavery or human trafficking from ever entering our supply chains. BELLA+CANVAS is committed to providing an environment free of any manifestation of forced labor and human trafficking. As an employer, BELLA+CANVAS complies with all national laws, regulations, procedures, the [Fair Labor Association \(FLA\) Workplace Code Conduct](#) and related Benchmarks<sup>1</sup> concerning forced labor. We require the same of our business partners.

Our [Workplace Code of Conduct](#), by which all internal employees, contract manufacturers, and business partners must abide, firmly states our stance prohibiting forced labor:

*Prison, indentured, bonded, involuntary, slave labor or labor obtained through human trafficking shall not be used in our owned operations and in the operations of any business partner involved in manufacturing BELLA+CANVAS products.*

In accordance with the [California Transparency in Supply Chains Act \(2010\)](#) and the [UK Modern Slavery Act \(2015\)](#), this statement describes our commitment, the policies we maintain, and the actions we have taken through the end of our fiscal year on December 30, 2023.

### **Structure, Operations, and Supply Chains**

BELLA + CANVAS is a U.S. company, based in California, that manufactures and distributes apparel products. BELLA+CANVAS has production and distribution facilities throughout the world and employs almost 4,800 employees worldwide.

At BELLA+CANVAS, we seek to maintain a streamlined supply chain with long-term business relationships. As a result, we own the majority of factories where our products are sewn and all of the cutting facilities where our product components are cut. We work with a narrow set of dyehouses and mills, and we have direct relationships with mills in which our greige fabric is woven. Our owned manufacturing, distribution, and office facilities are located in the United States, Honduras, and Nicaragua. We also source sewn finished products from one supplier in Nicaragua. Dyehouses, from which we source, are owned by one vendor and located in the United States (California) and El Salvador. We purchase greige product from mills in India.

### **Relevant Company Policies**

Since our founding over 25 years ago, we have always held ourselves to high ethical and human rights standards. More recently, after joining the FLA in 2019, we overhauled many existing policies and

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<sup>1</sup> FLA Workplace Code of Conduct and Compliance Benchmarks, Forced Labor Benchmarks listed on Pages 16-18: <https://www.fairlabor.org/accountability/standards/manufacturing/mfg-code/>

implemented new commitments, policies, and procedures to further promote workers' rights in our supply chains and mitigate risks, including enhancing management systems that prevent forms of modern slavery. Such advancements include:

- An updated [Workplace Code of Conduct](#);
- A new, and subsequently updated [Social Compliance Manual](#), providing guidance to management of owned facilities and business partners to uphold our Code of Conduct;
- A new Migrant Worker Policy (see Social Compliance Manual);
- A [publicly disclosed factory list](#);
- Joining the [American Apparel & Footwear Association \(AAFA\)/FLA Industry Commitment to Responsible Recruitment](#);
- A new Human Rights Policy;
- Updated Manufacturing Agreements, requiring compliance with our new standards and Zero Tolerance thresholds;
- A new grievance hotline in owned facilities;
- A new social compliance grievance channel for owned facilities and suppliers;
- Participation in the FLA's [Third Party Complaint](#) mechanism; and
- A new Responsible Purchasing and Production Policy, guiding our design, sales, purchasing, production planning and other teams, to make decisions that help, not hinder, factories to uphold our Workplace Code of Conduct.

In 2023, we updated our Social Compliance Manual to address advancements in our program, including enhanced criteria for the AAFA/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment.

### **Verification & Certification**

Prior to onboarding a new supplier to BELLA+CANVAS supply chains, we conduct thorough due diligence. All cut-and-sew facilities are usually already WRAP certified before we do business with them. Regardless, they undergo internal social compliance audits against our Workplace Code of Conduct. If throughout our due diligence process, we find evidence of slavery or human trafficking, the business will not become part of our supply chain. We ask our cut-and-sew facilities as well as mills, dye houses, and other supply chain partners to acknowledge, in writing, understanding of and compliance with our Workplace Code of Conduct. Our cut-and-sew facilities and dye houses must sign our Manufacturing Agreement, which also stipulates compliance with our Workplace Code of Conduct and audit practices, specifying that violations of zero-tolerance standards, including slavery and human trafficking, require immediate remediation and may result in termination of the business relationship.

### **Due Diligence**

#### *Managing Risks in our Supply Chains*

BELLA+CANVAS expects our owned facilities and suppliers to comply with our Workplace Code of Conduct. Managers at our owned facilities and owners of our third-party suppliers must acknowledge and accept, in writing, conditions upon which our partnership and business relationship can be built and maintained. While our regular social compliance audit process and ratings – color-coded ratings for facilities – currently focus on cutting and sewing facilities, any facility involved in the production of products, components, and materials containing any intellectual property owned by BELLA+CANVAS anywhere in the world, including licensed products, must uphold the BELLA+CANVAS standards described in our Social Compliance Manual. This scope also includes but is not limited to warehouses, dye houses, laundries and mills. All such facilities must uphold the BELLA+CANVAS standards, and any such facility may be subject to a social compliance

audit or investigation. Due to our leverage and potential impacts on cut-and-sew and warehousing facilities, we prioritize social compliance at least annually in those facilities. Audits that score below an established threshold result in more frequent follow-up audits and escalation to our leadership teams.

We maintain direct relationships with dyehouses and mills and they, too, must acknowledge and accept, in writing, conditions upon which our partnership and business relationship can be built and maintained, including compliance with our Workplace Code of Conduct.

On a regular basis, the Social Compliance team joins Production meetings, where factory compliance ratings and conditions are discussed among cross-functional teams. Where risk appears elevated, based on local reports, grievances, or stakeholder engagement, this group may recommend additional audits or investigations beyond the normal audit scope and frequency.

### *Audits*

All BELLA+CANVAS owned and contracted cut-and-sew manufacturing facilities undergo an annual social compliance audit against our Workplace Code of Conduct. Audits may be announced, semi-announced, or unannounced, and they may be conducted by a BELLA+CANVAS auditor, third-party auditor, or FLA auditor. BELLA+CANVAS joined the FLA as a Participating Company affiliate in 2019 and has since achieved FLA Accreditation, demonstrating our commitment to meeting the highest standards in social compliance. As a Fair Labor accredited company, we are subject to FLA social compliance audits, with the reports posted publicly on the FLA website. Both BELLA+CANVAS and FLA audits look for violations of forced labor.

At BELLA+CANVAS, we recognize that there are times when our owned, contracted, or candidate manufacturing facilities may fall short of our compliance guidelines. In these instances, our Social Compliance team is ready to work with those facilities toward meeting our standards in a sustained manner. In meeting this goal of sustainable compliance, we maintain a robust remediation protocol, focused on:

1. Continuous improvement – Even when time may be required to achieve a standard, we want to see consistent commitment and progress in reaching that standard.
2. Collaboration – Achieving compliance may require candid conversations and creative plans. We are committed to working together with our business partners to support them in attaining and maintaining our standards.
3. Root Cause Analysis (RCA) – Addressing a noncompliance issue may not be as simple as unlocking a door or moving a fire extinguisher. Achieving sustainable compliance requires understanding why a noncompliance occurred. We expect this method to be used both by auditors when determining noncompliance issues and by factory managers when figuring out the most effective actions for remediation.
4. Sustainable action – Once we understand the root cause of an instance of noncompliance, we can determine what actions need to be taken in order for that noncompliance not to occur again, who will be responsible, how we will implement the change, and when the change will be completed and reviewed.
5. Baseline standards – Although facilities may require time to attain certain standards, violations of our Zero Tolerance standards are never acceptable. Zero Tolerance standards are listed in our Social Compliance Manual. In the event of such violations, we will communicate with business partners while they remediate zero-tolerance issues, but we reserve the right to exact penalties up to and including termination of our business

relationship. Any violations of Zero Tolerance standards are escalated to the BELLA+CANVAS leadership team.

#### *Grievance Mechanisms*

BELLA+CANVAS is committed to an environment where open, honest communications are the expectation, not the exception. Our employees and those of our contractors have multiple channels for communicating complaints or suggestions, not only to supervisors or Human Resources representatives, but also through suggestion boxes, the Social Compliance Department phone and email address, and, in owned facilities, through Conecta, a third party-managed confidential hotline. Grievances are treated confidentially, and issuers have the option to submit them anonymously. However, we encourage issuers to provide their name and contact information to aid in any investigations and so that we can more effectively deliver and report on remediation.

Similarly, we want to hear from external stakeholders that may have concerns about potential risks caused by our operations. In the event that external stakeholders of BELLA+CANVAS or our manufacturing partners would like to raise a concern, we welcome them to file a complaint via the [FLA's Third Party Complaint Mechanism](#). They may also report concern to [compliance@bellacanvas.com](mailto:compliance@bellacanvas.com). No reprisal or retaliatory action will be taken against anyone or tolerated for raising such concerns. We are committed to investigating, addressing, and responding to any such issues raised and to taking appropriate corrective action in response to any violation of this policy.

#### **Ensuring Effectiveness of Preventing Modern Slavery in Our Supply Chains**

##### *Internal Accountability*

Implementation of our Workplace Code of Conduct is overseen by the BELLA+CANVAS Director of Social Compliance and regularly updates company leadership.

The Workplace Code of Conduct covers all employees, contractors, and business partners. BELLA+CANVAS has developed a specific policy to address forced labor. Allegations of slavery or human trafficking in an owned facility would be immediately escalated to the head of Human Resources, General Counsel, and President, with immediate action taken. Any allegations or evidence of slavery or human trafficking among suppliers will be immediately investigated, escalated, remediated, and may result in termination of a business relationship.

To facilitate reporting violations of our Workplace Code of Conduct, company employees as well as employees of our suppliers, business partners, or other stakeholders, may contact our social compliance team via email at [compliance@bellacanvas.com](mailto:compliance@bellacanvas.com) or [cumplimiento@bellacanvas.com](mailto:cumplimiento@bellacanvas.com). Whistleblowers may also activate [FLA's Third Party Complaint](#) mechanism at [TPC@fairlabor.org](mailto:TPC@fairlabor.org).

#### **Training**

The BELLA+CANVAS Workplace Code of Conduct is communicated in writing to all new BELLA+CANVAS employees and manufacturing partners. BELLA+CANVAS conducts an annual training for employees on the Workplace Code of Conduct, including policies on forced labor that address modern slavery. Trainees include corporate and factory management, corporate staff working with factories and suppliers, and suppliers' management, supervisors, and workers. Trainees will participate in annual refreshers.

Following roll-out of the new Responsible Purchasing and Production Policy in December 2022, relevant corporate staff and factory management staff engaged in training in January 2023 and follow-up exercises to ensure effectiveness of training.

This Statement on Prevention of Modern Slavery was approved by the Board of Managers of BELLA+CANVAS, LLC on December 16, 2024.