



Assessment for Accreditation

BELLA+CANVAS.
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BELLA+CANVAS

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ABOUT FAIR LABOR ACCREDITATION



Fair Labor Accreditation represents a rigorous evaluation of a member company's business systems for compliance with the Fair Labor Association's (FLA) [Principles of Responsible Sourcing and Production](#) and the FLA [Workplace Code of Conduct](#). These standards are designed to protect workers in member companies' global supply chains and are based on international practices and norms, including guidance from the International Labour Organization (ILO), United Nations Guiding Principles on Business and Human Rights, and the Corporate Human Rights Benchmark. Each principle is backed by a set of benchmarks and key performance indicators (KPIs) that define what companies must do to successfully implement our standards.

Effective social compliance implementation is a process of continuous improvement. FLA companies are evaluated on the alignment of their social compliance systems with FLA standards, and the company's performance in executing those systems to support and protect workers. The accreditation program also supports companies' efforts to fulfill human rights due diligence expectations and legal requirements.

Following Fair Labor Accreditation, FLA evaluates companies on an ongoing basis to ensure that they maintain baseline requirements and standards. When a company shows consistent performance over and above FLA's requirements for accreditation, including in upstream supply chains, they can be reevaluated for a higher threshold of recognition. This report recognizes a company's achievements, acknowledges areas in which the company has gone above and beyond baseline requirements, and makes specific recommendations for future growth.

EXECUTIVE SUMMARY

HIGHLIGHTS OF BELLA+CANVAS' FAIR LABOR ACCREDITATION

Since joining FLA in 2019, BELLA+CANVAS has built a social compliance program capable of implementing the 10 FLA principles and enforcing the elements of the FLA Workplace Code of Conduct across its supply chain, keeping pace with the changes to FLA standards enacted over the intervening years. This report details FLA's evaluation of BELLA+CANVAS' social compliance program through September 2024.

Some highlights of BELLA+CANVAS' accreditation include:

Company-wide commitment: BELLA+CANVAS' commitment to ethical and sustainable business extends throughout the company, beginning with the company's co-founders and owners, who remain involved with the key production decisions that impact workers' lives. The company's president and executive leadership are actively involved in upholding workplace standards for factory workers, receiving frequent updates from the compliance team and supporting their efforts. A cross-functional leadership team collaborates to ensure that both contract and owned production remains in line with BELLA+CANVAS' commitment to responsible purchasing.

Factory monitoring: BELLA+CANVAS has developed an extensive assessor manual and audit tool that are fully aligned with FLA's expectations for high-quality factory assessments. BELLA+CANVAS works with a qualified audit service provider and has provided extensive training to assessors on gathering and verifying information at the factory level. FLA's audit field observation confirmed that BELLA+CANVAS utilizes highly effective worker interviews to gain insight into factory conditions. Furthermore, BELLA+CANVAS' auditing procedures, assessor manual, and audit tool are all aligned to ensure that assessments meet the company's needs related to CTPAT guidelines, WRAP Certification, and a full evaluation against the company's code of conduct, without reducing the quality of the audits or placing undue burden on assessors and factories.

Supplier relationships: With social compliance staff located close to key production centers in Central America, BELLA+CANVAS is well-positioned to provide oversight and support to both contract and owned factories. Compliance staff pay frequent visits to factories to provide training, follow up on the remediation of audit findings, and understand factory management's perspectives on compliance topics. Compliance staff visit owned factories on a bi-weekly basis. BELLA+CANVAS' sourcing and production leaders also emphasize in-person factory visits as a crucial element of the supplier relationship. As a result, BELLA+CANVAS maintains stable and mutually beneficial brand-factory relationships that advance the principles of responsible sourcing.

BELLA+CANVAS ACCREDITATION

FLA ACTIVITY	PURPOSE
<p>Headquarters and Field Office Assessments <i>April 2024; Los Angeles, USA</i></p>	<ul style="list-style-type: none"> • Interview senior leadership and staff in the compliance, purchasing, production, and planning departments • Review documentation, processes, and data
<p>Field Observations <i>Audit: November 2022, Nicaragua</i> <i>Training: April 2023, Honduras (virtual)</i> <i>Audit: August 2023, USA</i></p>	<ul style="list-style-type: none"> • Evaluate internal audits, training sessions, and/or remediation visits for comprehensiveness and quality • Verify improvement over time
<p>Factory-Level Assessments (SCI) <i>2021-2024 (3)</i></p>	<ul style="list-style-type: none"> • Identify any labor violations, assess root causes, and track remediation efforts over time
<p>Milestone Evaluations</p>	<ul style="list-style-type: none"> • Review documentation demonstrating compliance with the FLA Principles of Fair Labor and Responsible Sourcing and Production
<p>Fair Labor Investigations <i>N/A</i></p>	<ul style="list-style-type: none"> • Investigate supplier for alleged non-compliance, report follow-up on remediation, and engage with union
<p>Fair Compensation</p>	<ul style="list-style-type: none"> • Confirm use of FLA's Wage Data Collection Toolkit • Evaluate the company's fair compensation blueprint • Track measurable progress towards a living wage over time
<p>Stakeholder Engagement</p>	<ul style="list-style-type: none"> • Integrate perspectives from civil society and other relevant organizations on the company's social compliance program and human rights due diligence efforts

FLA ACTIVITY	PURPOSE
<p>Review of Internal Assessments</p> <p><i>USA (3)</i> <i>Nicaragua (2)</i> <i>El Salvador (1)</i> <i>Honduras (1)</i></p>	<ul style="list-style-type: none"> • Review a sample of internal audit reports for alignment of company audit methodology with FLA standards and benchmarks, as well as review of corrective action plans (CAP) and remediation evidence

COMPANY OVERVIEW

Name	BELLA+CANVAS	Category	Participating Company (Hybrid)
HQ Location	Los Angeles, California, USA	Product	Apparel
FLA Membership	October 2019	Applicable Facilities	Two contract, eight owned

BELLA+CANVAS is a company dedicated to premium basic apparel products. The brand's origins date back to 2002 when the company, co-founded by Danny Harris and Marco DeGeorge, merged its Bella and Canvas lines into a singular BELLA+CANVAS brand. BELLA+CANVAS is headquartered in Los Angeles, California, USA.

BELLA+CANVAS sources from 10 Tier One factories, totaling approximately 7,100 workers, located in Nicaragua, the United States, and Honduras. BELLA+CANVAS is committed to conducting business in a socially responsible and ethical manner, supporting human rights, and engaging, respecting, and supporting the communities and cultures with which the company works.

BELLA+CANVAS SUPPLY CHAIN

BELLA+CANVAS sources from 10 factories (two contracted and eight owned) with approximately 5,700 production workers and 1,400 workers in contracted facilities. Its top three sourcing countries are Nicaragua (seven factories), the United States (two factories), and Honduras (one factory). From 2022 to 2024, FLA conducted three sustainable compliance initiative (SCI) assessments at BELLA+CANVAS factories in three countries. One SCI took place at a contract factory while two SCIs took place at owned factories.

In addition to the owned factories mentioned here, BELLA+CANVAS also sources from two contract facilities, both located in Nicaragua.

Number of Owned Factories by Country

Honduras **1**

United States **2**

Nicaragua **5**

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 1: TOP MANAGEMENT COMMITMENT AND WORKPLACE STANDARDS

Company Member is committed to accountability and transparency through established workplace standards.

WHY: Respect for human rights and a commitment to workplace standards must be driven by a company's most senior employees. Workers' rights are more likely to be effectively integrated into all business decisions when a company's board of directors and/or chief executive officer (CEO) sets clear expectations. Commitment from a company's upper management is an essential component of an effective social compliance program and supports human rights due diligence implementation.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Internal Commitment (1.1a)	BELLA+CANVAS' president published a commitment to social responsibility on BELLA+CANVAS' website. Internally, BELLA+CANVAS developed a sustainability strategy, which is integrated into the company's overall strategic priorities. Part of this strategy is operating a global sustainability committee.	BELLA+CANVAS' social compliance department budget ensures sufficient resources are allocated to the social compliance program.	●
Public Commitment (1.1b)	BELLA+CANVAS publishes its commitment to workplace standards on its website, along with an overview of its social compliance program.	BELLA+CANVAS' code of conduct, compliance benchmarks, and commitments to engage with civil society are all made public, as are the company's commitment to fair compensation and its continuous work with FLA to make progress on living wages.	●
Governance Responsibility and Accountability (1.1c)	BELLA+CANVAS operates a global sustainability committee. Its members represent all key areas of the company. The committee is led by an executive committee that includes BELLA+CANVAS' president and the heads of each relevant department.	The global sustainability committee meets quarterly. The committee discusses the sustainability strategy, which is built around five pillars: caring for people and communities, elevating awareness, prioritizing the environment, product innovation and quality, and governance. It also includes annual sustainability goals, status, and progress, and the committee's planning chart shows clear KPIs, project plans, and action dates.	●
Code of Conduct and Compliance Benchmarks (1.2 a, b)	BELLA+CANVAS' code of conduct aligns with the Fair Labor Code and is being operationalized through compliance benchmarks that clearly outline the standards for adherence to the code elements.	<i>This KPI includes only system metrics</i>	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 2: RESPONSIBLE PURCHASING AND PRODUCTION PRACTICES

Sourcing Principle: Company Member aligns planning and purchasing practices with workplace standards.

Production Principle: Company Member aligns sales, planning, and production practices with commitment to workplace standards.

WHY: The sourcing practices of buyers and the sales and planning practices of suppliers affect workplace conditions and worker well-being. Without consistent and systematic attention to responsible purchasing and production practices, companies can undermine their efforts toward ethical working conditions in factories. This principle evaluates how headquarters' business practices (such as design, costing, and sourcing) are managed to support workers and address any negative impacts on working conditions.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Policies and Procedures (2.1a, b)	BELLA+CANVAS has implemented a responsible purchasing and production (RP&P) policy to systematize its approach to responsible sourcing.	FLA observed that relevant staff at BELLA+CANVAS are aware of the policy and have aligned their responsibilities to its goals. Managers and team leaders provide guidance, support, and supervision so that staff can uphold their commitments.	●
Accountability (2.2a, b)	Tracking systems and clearly designated responsibilities for product calendars, purchase orders, shipments, supplier relationships, and exit and retrenchment situations ensure that staff are held accountable for their roles on responsible sourcing.	Frequent meetings and check-ins allow managers to hold staff accountable for the expectations laid out in BELLA+CANVAS policies. Performance evaluations and job descriptions consider staff's responsibilities to responsible sourcing.	●
Dialogue (2.3a, b, c, d)	Through daily and weekly internal production meetings, BELLA+CANVAS stays abreast of issues impacting the production process and discusses appropriate follow-up actions. BELLA+CANVAS also engages in frequent dialogue with both contract and owned suppliers to understand their perspectives.	FLA verified that these dialogues result in adjustments to allocations, ship dates, payments, or staffing plans to reduce risks to workers stemming from BELLA+CANVAS production practices.	●
Supplier Evaluation and Incentives (2.4a, b, c)	BELLA+CANVAS offers positive incentives such as reducing the audit burden of suppliers that demonstrate they produce in a responsible and sustainable manner. This incentive is laid out in both the factory-facing supplier manual and the internal-focused social compliance manual.	FLA reviewed documentation to verify that factories receive audits less frequently as their performance on responsible production improves.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 3: RESPONSIBILITY AND HEAD OFFICE TRAINING

Company Member identifies and trains specific staff responsible for implementing workplace standards and responsible purchasing practices and provides training to all head office and regional staff.

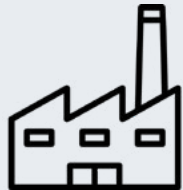
WHY: Effective implementation of social compliance standards and human rights due diligence systems depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the company’s commitment so that workplace standards are embedded throughout the business.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Responsible Staff (3.1a, b)	An inter-departmental team coordinates BELLA+CANVAS’ work on social compliance. The dedicated social compliance team, with two full-time staff in Central America, handles monitoring, remediation, FLA affiliation, and reporting to senior leadership. An external consultant provides advisory services. The team reports to the deputy general counsel and vice president of legal, who reports to the general counsel and chief legal officer.	<i>This KPI includes only system metrics.</i>	●
Social Compliance Staff Training (3.2a, b, c)	BELLA+CANVAS identifies future training opportunities for social compliance staff by analyzing audit trends. The training program uses a train-the-trainer model, where social compliance staff are trained and then deliver training to factory management and workers.	Social compliance staff have received training on freedom of association, collective bargaining, worker engagement, and forced labor due diligence, among other labor issues. FLA has verified that external training includes pre- and post-training quizzes to ensure effectiveness.	●
Head Office and Regional Staff Training (3.3a, b, c)	The director of human resources and the social compliance team coordinate workplace standards training for regional and headquarters staff. This training includes the company code of conduct, commitment to workplace standards, introduction to the social compliance manual, and overview of the monitoring program. New hires receive this training during onboarding, and all staff must attend annual refresher courses.	The training is highly interactive, featuring facilitated discussions and role-play scenarios. FLA has verified that it includes a thorough post-training quiz and a survey for participant feedback. The human resources team tracks completion of both the quiz and the survey to ensure continuous improvement.	●
Responsible Purchasing Practices (RPP) Training (3.4a, b, c)	BELLA+CANVAS’ RP&P training is required for relevant staff in production, sales, forecasting, and social compliance. The training covers the basic concepts of responsible sourcing, the elements of the RP&P policy, and the internal systems for implementation. The training is interactive with live polls and practical scenarios. External consultants deploy a post-training quiz, survey, and commitments to action form.	FLA has verified that all relevant staff have completed the RP&P training and the training providers track completion rates through the post-training feedback forms and commitments to action.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 4: SUPPLIER AND PRODUCTION STAFF TRAINING

Sourcing Principle: Company Member obtains commitment and trains relevant supplier management on workplace standards and tracks effectiveness of supplier workforce training.

Production Principle: Company affiliate trains all management staff and employees at owned facilities on workplace standards and tracks effectiveness of training.

WHY: A company's commitment to upholding workplace standards will only have an impact if that commitment is communicated to contract suppliers and owned facilities. This principle ensures that all workers are fully informed of their rights and all staff are aware of their responsibilities to uphold workplace standards.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Written Acknowledgement to Uphold Workplace Standards (4.1a)	BELLA+CANVAS requires suppliers to sign a supplier agreement, which includes a requirement to uphold workplace standards, and to commit to the code of conduct. Signed agreements are tracked by the sourcing, finance, and social compliance teams.	FLA has confirmed that BELLA+CANVAS distributes the supplier agreement during supplier onboarding and that all suppliers have signed the agreement.	●
Conditioning Future Business (4.2a, b, c)	BELLA+CANVAS requires suppliers to commit to continuous improvement of workplace conditions. The compliance program uses a rating system and an escalation process for zero-tolerance and non-remediation findings. The production and social compliance teams review remediation progress in weekly meetings.	FLA has verified the escalation procedures for zero-tolerance and non-remediation issues, confirming top management involvement in cases where suppliers failed to address these findings.	●
Workplace Standards Accessibility (4.3a)	The BELLA+CANVAS social compliance team translates the company code of conduct into all relevant languages and disseminates it to all factories. The audit tool verifies that the code is posted publicly and includes questions about languages spoken and migrant workers' countries of origin to ensure the appropriate translations.	FLA has reviewed the translated codes of conduct in English and Spanish and verified the social compliance team's management system. During field observations, FLA has confirmed that the code is posted at owned factories.	●
Workplace Standards and Training Effectiveness (4.4a, b)	BELLA+CANVAS conducts regular workplace standards training for workers, managers, and supervisors at all facilities. Training includes an overview of the code of conduct and compliance program, a post-training quiz, and a survey. The audit tool evaluates the training and assesses its effectiveness.	FLA has verified through documented examples that social compliance assessments have led to improved workplace standards training. FLA has also confirmed that violations related to workplace standards training have been fully remediated.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 5: MONITORING

Sourcing & Production Principles: Company Member conducts workplace standards compliance monitoring

WHY: A company must monitor its facilities to ensure that its workplace standards are being upheld throughout its supply chain. FLA evaluates companies' monitoring programs to ensure that they have a rigorous system for assessing working conditions at all existing and potential production facilities.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Pre-Sourcing Assessments (5.1a, b)	BELLA+CANVAS implements a formalized onboarding process for new factories (both contract and owned) that includes top-level approval, input from production leaders, and a full social compliance assessment. New factories must receive at least an "Orange" assessment result and complete a CAP before being approved for production.	BELLA+CANVAS has provided multiple examples of pre-sourcing assessments at both contract and owned factories. FLA has confirmed that relevant staff are aware of the onboarding process and uphold their roles in implementing it.	●
Monitoring Program and Compliance Standards (5.2a, b, c)	BELLA+CANVAS requires annual assessments for both contract and owned factories. Assessments and follow-ups may be scheduled more frequently based on risks, including potential risks to workers' rights and well-being. BELLA+CANVAS assesses factories against standards aligned to the Fair Labor Code.	FLA has reviewed internal schedules, communication between BELLA+CANVAS and suppliers, assessment reports, and follow-up materials to confirm that the standard operating procedures (SOP) related to factory monitoring are implemented in practice.	●
Audit Components and Quality (5.3a, b, c)	BELLA+CANVAS' assessor manual and audit tool are used for all assessments of both contract and owned factories. These documents incorporate all elements required by FLA Principle 5 for a high-quality audit.	FLA has reviewed numerous examples of audit reports and conducted two audit field observations to confirm that assessors implement the BELLA+CANVAS protocol in all factory assessments.	●
Responsible Retrenchment (5.4a, b)	BELLA+CANVAS' factory assessments ensure that contract and owned factories have policies and procedures for responsible retrenchment, in line with the BELLA+CANVAS code of conduct. Whenever a factory has experienced retrenchment, the assessments evaluate whether or not the factory followed these policies.	BELLA+CANVAS has submitted documentation of responsible retrenchment cases, including follow-up through factory assessments, at both sourcing and owned factories.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS

Sourcing & Production Principles: Company Member ensures workers have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

WHY: Functioning grievance mechanisms provide workers with a channel to raise concerns when they think their rights are being violated or the factory is not upholding workplace standards. Although monitoring programs are meant to ensure compliance with workplace standards, they cannot uncover or address every issue on their own. Functioning grievance mechanisms complement an effective monitoring system.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Ensuring Functioning Grievance Mechanisms (6.1a, b, c, d)	BELLA+CANVAS' audit tool includes questions to assess the existence of at least one confidential factory-level grievance mechanism and to ensure all grievance mechanisms lack penalties. The monitoring program tools evaluate supplier grievance tracking systems to understand how a factory manages grievances they receive, holds staff accountable, and upholds timelines for resolution.	FLA's audit field observation verified these systems in practice. Across all FLA SCI assessments conducted at BELLA+CANVAS' owned and contracted factories, there were no violations regarding grievance mechanisms.	●
Confidential Reporting Channel Direct to the Company (6.2a)	BELLA+CANVAS utilizes multiple confidential reporting channels that connect workers at both owned and contracted factories directly to the company's headquarters. The channels are equipped to receive and respond to grievances in all applicable languages.	FLA's audit field observations and document review verified the effective implementation of these systems at owned and contract factories.	●
Training on Grievance Mechanisms (6.3a, b)	BELLA+CANVAS' audit tool and assessor manual include instructions for auditors to evaluate the effectiveness of the grievance mechanism training for workers, supervisors, and managers at contract and owned factories.	Where BELLA+CANVAS audits reveal that factory-level training on grievance mechanisms is absent or ineffective, the company ensures that CAPs and remediation steps address this issue.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

Company Member collects, manages and analyzes workplace standards compliance information.

WHY: A company cannot make substantial improvements to its social compliance program and human rights due diligence systems as well as workers' lives without collecting and analyzing information related to its training, monitoring, and purchasing programs. This information allows companies to track the continuous improvement of their compliance programs and communicate that improvement to both internal and external stakeholders.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Collection of Facility Data (7.1a)	BELLA+CANVAS tracks key information about its factories and data on factories' compliance performance in an internal spreadsheet system.	FLA has verified through document review that BELLA+CANVAS tracks compliance and workplace information for contract and owned factories. BELLA+CANVAS has mapped Tier One and Tier Two of its supply chain.	●
Analyzing Social Compliance Trends (7.2a, b, c)	BELLA+CANVAS aggregates and tracks data over time by country, compliance benchmark, audit type, and number of non-compliance issues to identify social compliance trends. In addition, BELLA+CANVAS presents visualized social compliance trend analysis annually to BELLA+CANVAS leadership, and quarterly to the global sustainability committee.	FLA verified examples of visualized social compliance trends analysis for all owned and contract factories. In addition, during the headquarters visit, FLA verified that BELLA+CANVAS' social compliance manager conducts bi-weekly visits in owned factories to share visualized social compliance data and remediation statuses with factory management.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 8: TIMELY AND PREVENTATIVE REMEDIATION

Company Member works with suppliers to remediate in a timely and preventative manner

WHY: Monitoring gives a company visibility into the workplace standards violations in its supply chain. An effective remediation system is necessary so that a company can address and fix those issues over time.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
Remediation Procedures (8.1a, b, c)	BELLA+CANVAS' social compliance manual outlines timelines for audit reports, CAP submission, and remediation evidence. In addition, BELLA+CANVAS includes worker representatives in remediation plans through monthly roundtables and committees, which include both direct employees and workers employed by staffing agencies.	FLA has verified that supplier management receives the social compliance manual during onboarding and through annual training. FLA has confirmed that roundtables and health and safety committees actively facilitate discussions between management and workers on remediation.	●
Root Cause Analysis (8.2a, b)	BELLA+CANVAS requires factory management and stakeholders to conduct root cause analysis for each finding and document the analysis. Social compliance staff provide training on this topic to both management and workers at contract and owned factories, review the analysis, and track CAP progress.	FLA has verified the effective implementation of BELLA+CANVAS' systems for root cause analysis and remediation. FLA has observed improvements to factories' root cause analysis following BELLA+CANVAS' training of factory management.	●
Ensuring Effective Remediation (8.3a, b)	BELLA+CANVAS conducts regular assessments annually, with full and partial follow-up visits to verify remediation, capacity-building, and risk management. The factory scorecard system tracks remediation progress and may trigger issue-specific assessments for recurring non-compliance issues.	FLA has reviewed communication examples of the system to support suppliers in remediating non-compliance issues. FLA has verified the use of modular assessments for recurring findings to address root causes.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY

Sourcing & Production Principle: Company Member identifies, researches and engages with relevant labor non-governmental organizations, trade unions and other civil society institutions.

WHY: Local, labor-focused civil society organizations (CSOs) help companies better understand local conditions and issues that most acutely impact workers, which enables companies to make their supply chains more responsive to workers' needs.

BASELINE REQUIREMENTS FOR ACCREDITATION

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline

Description and KPI	BELLA+CANVAS System	BELLA+CANVAS Performance	Progress
CSO Engagement Strategy and Mapping (9.1a, b)	The BELLA+CANVAS stakeholder engagement policy references the most salient countries for the company's responsible sourcing approach and lays out a system for measuring the progress and impact of civil society engagement to address potential human rights impacts.	BELLA+CANVAS has mapped CSOs, philanthropic organizations, governmental bodies, and other third-party stakeholders whose expertise may offer insight on local issues or provide support to the company's compliance program. The company tracks its contact and collaboration with these actors.	●
Engagement on Local Labor Issues (9.2a, b)	<i>This KPI includes only performance metrics</i>	BELLA+CANVAS has engaged with civil society to understand the issues facing workers throughout its supply chain, including Nicaragua, where several strategic factories are located, and in India, where strategically important fabric sourcing takes place.	●
Engagement on Training, Worker Communication Channels, and Remediation (9.3a)	<i>This KPI includes only performance metrics</i>	BELLA+CANVAS has worked with local actors in Honduras and Nicaragua to complement the company's factory safety and worker training programs.	●
Union and Worker Representative Consultation (9.4a, b)	BELLA+CANVAS' factory assessment procedures require the assessor to include union representatives, or worker representatives where unions are not present, in the audit and remediation processes.	The BELLA+CANVAS social compliance team tracks the presence of unions and collective bargaining agreements (CBA) in all factories, using the factory assessment process to ensure that freedom of association is fully respected. FLA has verified that BELLA+CANVAS works with its owned and contract facilities to ensure that workers are consulted during the remediation process.	●

ACCREDITATION ASSESSMENT: COMPANY ACTIONS AND FLA VERIFICATION



PRINCIPLE 1: TOP MANAGEMENT COMMITMENT AND WORKPLACE STANDARDS

Company Member is committed to accountability and transparency through established workplace standards.

WHY: Respect for human rights and a commitment to workplace standards must be driven by a company's most senior employees. When a company's board of directors and/or CEO sets clear expectations, worker rights are more likely to be effectively integrated into all business decisions. Commitment from a company's top management is an essential component of an effective social compliance program and supports human rights due diligence.

Top Management Commitment

BENCHMARK 1.1: Company Member leadership formally commits to uphold workplace standards, including engagement with civil society, and to integrate these commitments into company business practices.

Company Actions and FLA Verification:

BELLA+CANVAS' president has published a commitment to social responsibility on BELLA+CANVAS' website. Internally, BELLA+CANVAS has developed a sustainability strategy which is integrated into the company's overall strategic priorities. Part of this strategy is operating a global sustainability committee. The committee has met quarterly since early 2023 and its members represent all relevant departments and functions: marketing, sales, supply chain and operations, people, finance, and sustainability. An executive committee leads the global sustainability committee and includes BELLA+CANVAS' president and the heads of each of the above-mentioned departments; the committees shared the vision for the company: "We don't just produce the highest quality apparel, manufactured in an ethical way. We create blank canvases on which to express your individuality." The sustainability strategy is built around five pillars: caring for people and communities, elevating awareness, prioritizing the environment, product innovation and quality, and governance. The strategy lays out annual goals and progress milestones. The committee's planning chart shows clear KPIs, project plans, and action dates.

BELLA+CANVAS publishes the code of conduct, compliance benchmarks, and commitments to engage with civil society on its website, as well as the company's commitment to fair compensation and its continuous work with FLA to make progress on living wage. In addition, BELLA+CANVAS' social compliance department budget ensures that sufficient resources are allocated to the social compliance program.

Strengths:

- BELLA+CANVAS' top leadership holds daily and weekly production meetings. Many of those who attend the production meetings also participate in the global sustainability committee meetings and are part of the executive committee of the sustainability committee, thus ensuring alignment on responsible production and sourcing practices.
- BELLA+CANVAS' culture fosters open communication between top leadership and staff, and workplace standards gaps are promptly resolved as they arise.
- In 2025, BELLA+CANVAS is planning to expand its investments in employee programming, including developing and implementing wellness committees, creating and rolling out region-customized diversity, equity and inclusion (DEI) training, and increasing internal communication of the sustainability strategy.
- The sustainability strategy foresees engagement with other stakeholders, including civil society organizations, as a pathway for BELLA+CANVAS to meet its sustainability goals.
- Job descriptions and performance evaluations for the president and corporate head of production and operations include responsibilities to ensure social compliance performance.
- BELLA+CANVAS has presented a strategic plan that prioritizes the "People" pillar of its sustainability strategy for the next three years. As part of this plan, the company held "People Day" as a company-wide kick-off event in September 2024. FLA has verified that at the event, BELLA+CANVAS' president communicated the company's commitment to workplace standards.

Recommendations for Continuous Improvement:

- Currently, BELLA+CANVAS does not regularly review and compile workplace standards progress and civil society engagement into a public report. In 2025, BELLA+CANVAS is planning to launch its first sustainability report which will be focused on "People." FLA has reviewed work plans and drafts and interviewed key staff to demonstrate progress on the development of the report. Beyond accreditation, FLA will verify that proper topics are being integrated into the sustainability report.

Workplace Standards

BENCHMARK 1.2: Company Member establishes and articulates clear, written workplace standards that meet or exceed those embodied in the FLA Workplace Code of Conduct.

Company Actions and FLA Verification:

BELLA+CANVAS' code of conduct aligns with the FLA Workplace Code and is being operationalized through compliance benchmarks that clearly outline the standards for adherence.



PRINCIPLE 2: RESPONSIBLE PURCHASING AND PRODUCTION PRACTICES

Company Member aligns planning and purchasing practices with commitment to workplace standards.

WHY: The sourcing practices of buyers and the sales and planning practices of suppliers affect workplace conditions and worker well-being. Without consistent and systematic attention to responsible purchasing and production practices, companies can undermine their factory efforts toward ethical working conditions in factories. This principle evaluates how headquarters-level business practices such as design, costing, and sourcing are managed to support workers and address any negative impacts on working conditions.

Responsible Purchasing Practices Policy and Procedures

BENCHMARK 2.1: Company Member has formal written policies and procedures for planning and purchasing that 1) articulate the many complexities involved in their global supply chains, including different supplier business models, and 2) require relevant internal representatives to work with suppliers to reduce negative impacts on working conditions. These policies and procedures shall address (a) alignment of financial terms with FLA Workplace Standards, (b) adequacy of lead time provided (considering, for example, availability of input, testing, design changes, and production capacity) to produce without excessive overtime, unauthorized subcontracting, or other negative impacts, and (c) balanced annual planning efforts to eliminate negative outcomes (i.e. lower efficiency, poor labor retention, and longer throughput) that arise from traditional seasonal order demand.

BENCHMARK 2.1 (Production): Company Member has formal, written policies and procedures for production planning that 1) articulate the many complexities involved in their global supply chains, including different customer (buyer) business models and 2) require relevant internal representatives to work with customers (buyers) to reduce negative impacts on working conditions. These policies and procedures shall address the alignment of sales and workplace standards. KPI a) Policies and procedures that address: Elements 1 and 2, Sales, Capacity, Workplace standards, and Responsible retrenchment b) Frequency of review by senior management to assess impacts of planning and purchasing on compliance.

Company Actions and FLA Verification:

Along BELLA+CANVAS' accreditation journey, the company developed its RP&P policy, which applies to all units of the company engaged in sourcing, purchasing, or producing products, materials, or finished goods. The RP&P policy, which was first approved by the company's president in late 2022 and updated in early 2024, highlights BELLA+CANVAS' understanding that decisions made regarding product development, sourcing, and planning can impact working conditions on the factory floor. It specifically addresses key topics such as financial planning, lead time, balanced annual planning, and factory production capacity. Under the policy, BELLA+CANVAS staff in these functional areas are required to align their work with the company's code of conduct and commitment to responsible sourcing. During the headquarters assessment, FLA interviewed sourcing and production leaders to confirm that they are aware of these commitments, uphold the RP&P policy in their roles, and uphold the policy's requirements for dialogue and training on responsible sourcing.

The RP&P policy discusses BELLA+CANVAS' commitment to responsible retrenchment in owned factories and to supporting responsible retrenchment in the contracted supply chain. The BELLA+CANVAS code of conduct sets specific standards for retrenchment; the social compliance manual contains specific procedures to conduct exit and retrenchment fairly, transparently, and in line with local laws.

Strengths:

- The RP&P policy highlights how BELLA+CANVAS' business model and product offerings allow for consistent product designs, predictable purchase orders, low seasonal variation, and several months visibility into production plans. For contract production, the company maintains long-term relationships with a relatively small number of suppliers whose characteristics and capacities are familiar to sourcing staff. These features support the company's efforts to implement the RP&P policy's commitments for forecasting and balanced planning.
- After extensive internal dialogue and collaboration with FLA's fair compensation team, BELLA+CANVAS developed a fair compensation blueprint and publicly committed to fair compensation in its supply chain. The company has collected compensation data at eight factories across its supply chain and used FLA's Fair Compensation Dashboard to analyze this data against industry benchmarks. The blueprint sets concrete goals for improving compensation in the supply chain, identifies interventions that BELLA+CANVAS will test, and commits the company to report on the results.

Recommendations for Continuous Improvement:

- Beyond accreditation, BELLA+CANVAS should continue to implement the fair compensation blueprint. In particular, BELLA+CANVAS should pilot interventions to improve wages, plan for public reporting of living wage progress, and continue to scale wage data collection.

Accountability

BENCHMARK 2.2 (Sourcing): Company Member holds relevant staff and any contracted agent/intermediary accountable for the implementation of planning, purchasing, and order reduction practices that help avoid negative impacts on workers and working conditions.

BENCHMARK 2.2 (Production): Company Member holds relevant staff accountable for the implementation of planning and sales practices that help avoid negative impacts on workers and working conditions.

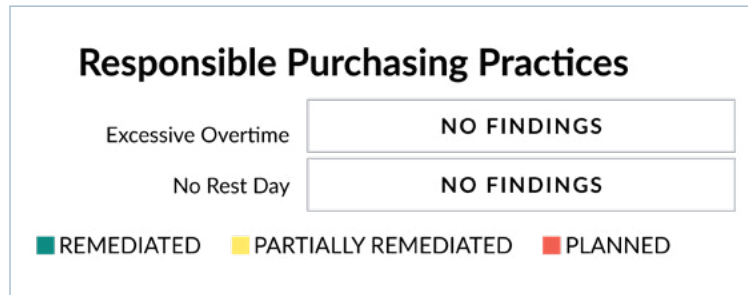
Company Actions and FLA Verification:

BELLA+CANVAS created accountability mechanisms to ensure that staff have specific responsibilities to uphold the RP&P policy and to track their performance in doing so. The RP&P policy assigns responsibilities at the management level for providing communication and training on the policy to BELLA+CANVAS staff, reviewing and updating the policy to ensure it remains relevant and effective, and implementing the policy within relevant departments. In particular, the head of production and operations is primarily responsible for overseeing and implementing the policy; the job description for this position includes this responsibility specifically.

Staff responsible for specific tasks such as forecasts, purchase orders, and shipment tracking are held accountable through annual performance evaluations. In addition to these evaluations, BELLA+CANVAS creates a constant feedback loop through daily and weekly meetings that track production progress and provide opportunities for accountability and course-correction. BELLA+CANVAS' internal systems for production planning and order tracking provide visibility into calendar adherence, forecast accuracy, and on-time payments made to factories. BELLA+CANVAS' costing

approach is based upon technical calculations of the person-hours required to fulfill an order; the methodology for these calculations is discussed openly with suppliers and incorporates national minimum wages. These calculations and BELLA+CANVAS' production plans assume a normal workweek, without overtime.

BELLA+CANVAS' SCI assessments did not find any violations related to excessive overtime or lack of rest days, two finding categories which may indicate that companies' purchasing and production practices place pressure on suppliers to rush production.



Strengths:

- Throughout the accreditation journey, FLA verified the implementation of these accountability mechanisms through document reviews and interviews. For example, FLA reviewed a case in which the social compliance team alerted the company's production leaders that workers at an owned factory were exceeding the allowable number of daily and weekly working hours. These leaders, with support from top management, issued a clear communication to the factory's management on the issue. With reference to their job responsibilities and BELLA+CANVAS policies, specific individuals were assigned responsibility for adjusting worker schedules, monitoring total hours worked, and providing reports on the changes made to prevent recurrence of this violation.

Dialogue

BENCHMARK 2.3 (Sourcing): Company Member staff responsible for planning and purchasing decisions engage with their labor compliance colleagues, any contracted agent/intermediary and suppliers in regular and constructive dialogue throughout the production process and when problems arise to support operations at the factory level and to seek to avoid or mitigate negative impacts on workers and/or compliance with code standards at supplier facilities.

BENCHMARK 2.3 (Production): Company Member staff responsible for sales and planning decisions engage with their labor compliance colleagues, top management, facility general managers, customers, other relevant suppliers or agents/intermediaries, as well as FLA, in regular and constructive dialogue throughout the production process and when problems arise to support operations at the factory level and to seek to avoid or mitigate negative impacts on workers and/or compliance with code standards at supplier facilities.

Company Actions and FLA Verification:

BELLA+CANVAS staff engage in frequent dialogue, including dialogue with contract and owned factory management, to inform purchasing and production practices. Daily internal meetings among sales, forecasting, and production leaders provide a forum to discuss topics that may impact planning such as demand data, business conditions, and updates on production. At weekly production meetings, staff from production, quality, and social compliance discuss the status of production orders. FLA verified that these weekly meetings may result in changes to purchasing or production practices such as the re-allocation of shipments, adjustments to delivery deadlines, or technical support to factories, all of which address potential risks to workers' rights stemming from BELLA+CANVAS' production decisions. The company's president is present on these weekly production meetings to ensure that the next steps are clear and decisive.

On approximately a monthly basis, BELLA+CANVAS' director of manufacturing meets with the management of both owned and contracted production factories. These meetings allow factories to share their perspectives and inform BELLA+CANVAS of their needs or challenges. In addition, factory management updates BELLA+CANVAS on how the company's orders might impact hiring and overtime at the factory. BELLA+CANVAS has also engaged extensively with, and integrated feedback from, its contract and owned factories in the development of the fair compensation blueprint

(see Benchmark 2.1). For example, BELLA+CANVAS used supplier feedback to highlight differences in legally required benefits across countries and account for these benefits when calculating workers' compensation.

Compensation	
Forced Overtime	NO FINDINGS
Minimum Wage	NO FINDINGS
Accurate Wage Records, Calculation, & Payment	NO FINDINGS
Legally Mandated Benefits	NO FINDINGS
Monetary Fines	1

■ REMEDIATED
 ■ PARTIALLY REMEDIATED
 ■ PLANNED

At a 2021 SCI assessment in El Salvador, FLA noted that the factory's policies reserved the right to penalize workers for absenteeism by forfeiting their rest days. BELLA+CANVAS followed up with the factory to confirm that this penalty was not used in practice. BELLA+CANVAS has since ended the sourcing relationship with the factory due to other factors. FLA's factory assessments did not find any other non-compliances related to compensation issues, minimum wage violations, or other benchmarks that may have indicated negative financial consequences of BELLA+CANVAS' purchasing and production practices.

Strengths:

- Due to both the structural advantages of the company's geographically limited and tightly controlled supply chain (see Benchmark 2.1) and the strong commitment from leadership, BELLA+CANVAS can hold regular in-person visits with suppliers, where staff engage supplier management through meaningful dialogue on production issues. Combined with the leadership team's extensive experience and knowledge of the industry, these visits allow BELLA+CANVAS to assess factory capacity, identify potential negative impacts, and strategize to ensure responsible sourcing.

- When the discussions in a daily or weekly meeting indicate that BELLA+CANVAS may need to authorize overtime work at an owned factory, the regional director of human resources usually participates in the meeting to ensure that all related policies and procedures are followed. This review step ensures that the production planning process does not inadvertently result in excessive hours of work, pressure for involuntary overtime, or risks to workers' compensation.
- In addition to the RP&P policy, BELLA+CANVAS has implemented a guidance document that provides an SOP for RP&P dialogue. In place of relying on collective knowledge or common practice, this document enshrines the types, cadence, and agendas of meetings that staff should hold internally and with factories.

Recommendations for Continuous Improvement

- As a best practice beyond accreditation, BELLA+CANVAS may wish to consider adopting additional tools for gathering and analyzing supplier feedback. In particular, an anonymous survey methodology may allow suppliers to raise more sensitive issues with BELLA+CANVAS candidly and openly. Furthermore, such tools will aid BELLA+CANVAS' compliance staff and top production leaders, should the number of suppliers expand and in-depth meetings with all suppliers become less viable.

Supplier Evaluations and Incentives

BENCHMARK 2.4 (Sourcing): Company Member provides positive incentives for suppliers and/or facilities producing in a socially responsible and sustainable manner and, if applicable, having internal systems aligned with FLA principles.

BENCHMARK 2.4 (Production): Company Member incentivizes and supports its facilities to produce in a socially responsible and sustainable manner.

Company Actions and FLA Verification:

The BELLA+CANVAS factory monitoring program assesses all contract and owned factories to ensure that they operate in a responsible, ethical, and sustainable manner. Factories receive a numerical score and a rating based on the number and severity of the findings. Factories that achieve an audit rating indicating strong performance and a lack of major issues benefit from a longer gap in between audits (see Principle 5: Monitoring). FLA verified this incentive program through documentation review that showed high-performing suppliers receiving these benefits.

Strengths:

- A factory's numerical audit score is based not only on the number of non-compliance findings, but the severity of each one (see Benchmark 5.2). This allows BELLA+CANVAS to match the incentive of reduced audit cadence accurately to the highest-performing factories.

Recommendations for Continuous Improvement

- Beyond accreditation, FLA recommends that BELLA+CANVAS explore other incentives beyond reduction in assessments. Examples could include special recognition or awards, priority for capacity building projects or investments, commitment to capacity booking, or higher-value product lines.
- As a best practice beyond accreditation, FLA recommends that BELLA+CANVAS continue to explore developing a comprehensive factory scorecard to assess factories along other metrics (e.g., product quality or on-time results). This will allow the company to compare factory performance and determine suppliers' needs. BELLA+CANVAS already maintains strong supplier relationships and high visibility into factories; a system to capture the data gathered in these interactions will allow this practice to flourish should the supply chain expand.



PRINCIPLE 3: RESPONSIBILITY AND HEAD OFFICE TRAINING

Company Member identifies and trains specific staff responsible for implementing workplace standards and responsible purchasing practices and provides training to all head office and regional staff.

WHY: Effective implementation of social compliance standards and human rights due diligence systems depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the company's commitment so that workplace standards are embedded throughout the business.

Responsible Staff

BENCHMARK 3.1: Company Member identifies the person(s) responsible for administering and implementing its workplace standards compliance program and responsible purchasing practices.

Company Actions and FLA Verification:

Within BELLA+CANVAS, 25 staff members from executive leadership, human resources, production, sales, customer service, and marketing have responsibilities related to the social compliance program and to implementing responsible purchasing and production, ranging from 5% to 100% of their responsibilities. The social compliance team, responsible for the core activities, has two full-time staff members based in Central America who dedicate 100% of their time to social compliance. The director of social compliance and the social compliance manager share responsibilities including monitoring, remediation, and reporting to senior leadership. The director of social compliance serves as the FLA liaison and oversees the implementation of the FLA principles. Additionally, BELLA+CANVAS has contracted an external consultant to provide advisory services to develop its social compliance program.

To emphasize the importance of social compliance, the director of social compliance is strategically placed in the organizational chart, reporting directly to the senior director of human resources, who in turn reports to the deputy general counsel and vice president of legal. The senior director of human resources and the president have responsibilities for overseeing and allocating resources to maintain the social compliance program. BELLA+CANVAS has also identified relevant staff outside of social compliance, such as the head of production, for implementing responsible purchasing practices and ensures their job descriptions reflect these responsibilities.

Strengths:

- BELLA+CANVAS has a director for social compliance and social compliance manager located in Central America, allowing them to support factories in high-production countries such as Nicaragua, Honduras, and El Salvador through in-person consultations that foster close brand-supplier relationships.

Social Compliance Staff Training

BENCHMARK 3.2: Company Member trains the person(s)/team(s) responsible for administering and implementing its workplace standards compliance program.

Company Actions and FLA Verification:

BELLA+CANVAS ensures that social compliance staff receive training that enables them to implement the company's program, providing targeted training on labor issues in their supply chain. The director of social compliance and the social compliance manager analyze audit results to select relevant training for the social compliance program. These staff then use a train-the-trainer model to educate factory management on the same topics.

The social compliance staff have received training on freedom of association, collective bargaining, worker engagement, and forced labor due diligence, among other labor issues. The team regularly receives training on systemic labor trends in high-production and high-risk countries within their supply chain. For instance, the director of social compliance and the social compliance manager have both received freedom of association training from an external consultant due to concerns in Nicaragua.

Strengths:

- The director of social compliance has completed a six-part training series on worker engagement with FLA. The social compliance manager has received internal auditor training to understand how BELLA+CANVAS auditors are being trained on evaluating workplace standards.
- The social compliance team uses trends identified in audit results to inform the social compliance staff training program, enhancing responsiveness to factory floor issues. For example, when audit results indicated a pattern of harassment findings at factories, the social compliance staff received expert training on harassment and then created training materials for factory-level deployment.

Recommendations for Continuous Improvement:

- While the social compliance staff have shared that audit results are used to identify gaps in training, FLA could not verify the existence of a formalized system to identify, encourage, and follow-up on training opportunities. Beyond accreditation, FLA recommends that BELLA+CANVAS develops a system to encourage additional trainings for social compliance staff every year to ensure continuous learning for social compliance staff members, based on the most current dynamics of the supply chain.

Head Office and Regional Staff Training

BENCHMARK 3.3: Company Member ensures that training is provided to all head office and regional staff on the company's commitment to workplace standards and the integration of standards into business practices. Training occurs at onboarding and refresher training is conducted annually.

Company Actions and FLA Verification:

The director of human resources, in collaboration with the social compliance team, coordinates the workplace standards training for regional and headquarters staff. New staff receive the workplace standards training during onboarding and all regional and head office staff are required to attend the refresher training annually. Participants must receive 65% or higher on the post-training quiz and human resources staff track the quiz completion rates. The workplace standards training includes the BELLA+CANVAS code of conduct, commitment to workplace standards, introduction to the social compliance manual, and overview of the monitoring program. The training is interactive, with facilitated discussion and roleplay scenarios. Through document review, FLA has verified that there is a thorough post-training quiz that includes a survey to collect participant feedback for continuous improvement of the training.

Strengths:

- FLA has noted that the post-training quizzes on workplace standards are very thorough knowledge checks. This level of detail allows trainers to verify that training participants retained more advanced knowledge and to check the effectiveness of the training delivered.
- The coordinated training program between social compliance and human resources enables BELLA+CANVAS to regularly implement workplace standards trainings and track attendance.

RPP Training

BENCHMARK 3.4: All relevant business and compliance staff and any contracted agent/intermediary are trained and knowledgeable of the consequences of their planning and purchasing practices on working conditions in order to mitigate negative impacts on code compliance.

Company Actions and FLA Verification:

BELLA+CANVAS has engaged with relevant internal staff and external consultants to develop and deliver highly effective training on RP&P. The company first implemented RP&P training in February 2023 and requires an annual refresher, beginning in March 2024, for RP&P for relevant staff from departments such as production, sales, forecasting, and social compliance. The training covers the basic concepts of RP&P before diving deeper into BELLA+CANVAS' own policy and tools. Interactive elements, such as Zoom polls and practical scenarios, are used throughout the training to engage participants and assess their understanding.

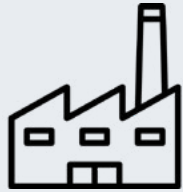
BELLA+CANVAS has a robust system to evaluate the effectiveness of the RP&P training system through a pre-training quiz and a post-training assessment and feedback form. This feedback form includes 10 training content questions and a section titled “commitment to action,” which guides participants to document how they plan to demonstrate RP&P in their roles. The form also includes 10 training evaluation questions to gather participants’ feedback on how to improve the training. After completing the training, participants receive a review of their assessment and a certificate of completion. The trainers follow up with participants three months later to check their progress on the commitment to action. FLA has verified that all relevant staff have completed the RP&P training and external consultants track completion rates through the post-training feedback forms.

Strengths:

- BELLA+CANVAS’ collaboration with internal relevant staff and external organizations to develop the RP&P training enabled the content to be more tailored to the BELLA+CANVAS supply chain, increasing the relevance and impact of the training for participants.
- The post-training “commitment to action” form enables participants to translate the training concepts into concrete actions that they can implement in their daily job responsibilities to improve worker well-being. Trainers’ follow-ups with relevant staff ensure accountability for their commitments during the training.

Recommendations for Continuous Improvement:

- BELLA+CANVAS does not currently have a formalized system for integrating relevant staff and supplier feedback into the RP&P training materials. BELLA+CANVAS should implement a plan to integrate the perspective of relevant staff and suppliers, as well as any specific feedback from its suppliers about the relationship, into RP&P training to ensure the training’s continuous improvement and relevance for staff.
- BELLA+CANVAS has recently implemented its RP&P training program. Therefore, FLA has observed how post-training survey responses are gathered, but not how they inform improvements to the training. For continuous improvement beyond accreditation, BELLA+CANVAS should develop procedures for this task and maintain documentation of any examples that occur.



PRINCIPLE 4: SUPPLIER AND PRODUCTION STAFF TRAINING

Sourcing Principle: Company Member obtains commitment and trains relevant supplier management on workplace standards and tracks effectiveness of supplier workforce training.

WHY: A company's commitment to upholding workplace standards will only have an impact if that commitment is communicated to contract suppliers and owned facilities. This principle ensures that all workers are fully informed of their rights and all staff are aware of their responsibilities to uphold workplace standards.

Written Acknowledgement to Uphold Workplace Standards

BENCHMARK 4.1 (Sourcing): Company formally conveys workplace standards to suppliers and receives written acknowledgment to uphold workplace standards, facilitate periodic assessments, including those organized by FLA, and actively contribute to consequent remediation activities.

Company Actions and FLA Verification:

BELLA+CANVAS requires that all suppliers sign an acknowledgment of the supplier agreement, which commits them to upholding the BELLA+CANVAS code of conduct and grants access to their factories for internal audits and relevant third parties, such as FLA. The sourcing, finance, and social compliance teams introduce and collaboratively manage the agreement during supplier onboarding. Supplier agreements are stored on a shared drive, and the social compliance team tracks acknowledgments for updates in an Excel sheet.

Recommendations for Continuous Improvement:

- For continuous improvement beyond accreditation, FLA recommends that BELLA+CANVAS explore an online document platform or other system to ensure accountability and transparency in tracking written acknowledgments and any subsequent acknowledgments for supplier agreements.

Conditioning Future Business

BENCHMARK 4.2 (Sourcing): Company conditions future business with suppliers upon continuous improvement of workplace conditions.

Company Actions and FLA Verification:

In addition to the supplier agreement, suppliers must sign an acknowledgment of the social compliance manual, which commits them to continuous improvement, adherence to collective bargaining agreements, and an understanding of the BELLA+CANVAS assessment program requirements.

BELLA+CANVAS utilizes a color-coded compliance rating system based on factory's latest social compliance assessment. A "green" rating (score of 90%-100%) requires no follow-up. A "Yellow" (score of 70%-89%) necessitates a desktop review and a six to twelve-month assessment cycle. An "Orange" (score of 51%-69%) calls for follow-ups with a three to six-month assessment cycle. A "Red" (score below 50%) indicates one or more zero-tolerance findings that require immediate follow-up. The social compliance manual includes zero tolerance criteria identifying specific labor violations that trigger an escalation process for remediation and protect BELLA+CANVAS' right to cease business until the issues are remediated. The color-coded compliance ratings demonstrate factories' compliance performance and inform internal BELLA+CANVAS stakeholders about next steps. Specifically, the compliance ratings inform the production team about whether to place production at a factory and inform the social compliance team of the type of subsequent assessment needed.

BELLA+CANVAS holds weekly cross-departmental meetings between the production and social compliance teams to review supplier performance and remediation progress. The president, along with co-founder Marco DeGeorge, attends these meetings to address zero-tolerance findings or suppliers that have not remediated non-compliances. When zero-tolerance issues arise in contracted factories, the president and co-owner are notified and involved in decisions regarding remediation or terminating the business relationship. If suppliers fail to remediate non-compliance findings, leaders in the sourcing and production functions are involved in the process to encourage remediation. For instance, when a contract factory in Guatemala did not cooperate in addressing findings from a recent assessment, the head of production informed factory management via email that production would be affected if non-compliance issues were not resolved.

Strengths:

- The cross-department weekly meetings between production and social compliance have created a shared understanding of how BELLA+CANVAS implements the scorecard and how the compliance scorecard impacts sourcing decisions.

Workplace Standards Accessibility

BENCHMARK 4.3 (Sourcing): Company ensures that workplace standards are accessible to workers, managers and supervisors in written form and relevant languages.

BENCHMARK 4.1 (Production): Company ensures that workplace standards are accessible to workers, managers and supervisors in written form and relevant languages.

Company Actions and FLA Verification:

BELLA+CANVAS translates its code of conduct into Spanish and English to reflect the languages workers speak in its owned and contracted Tier One factories. The social compliance team distributes any translated or updated code of conduct posters to owned and contracted factories via email. Additionally, the code of conduct is included in the social compliance manual that suppliers receive during onboarding. During pre-assessments for new suppliers or acquisition of a new factory, assessors collect information on workers' languages to determine the translation needs for the code

of conduct. In addition, the audit methodology ensures the code of conduct is displayed in the appropriate languages by verifying this during factory evaluations. The audit tool includes questions related to the languages spoken at the factories along with questions regarding migrant workers and their country of origin. During audit field observations in Nicaragua and the United States, FLA verified that the code of conduct was permanently and prominently posted in these owned factories.

Recommendations for Continuous Improvement:

- Due to the profile of BELLA+CANVAS' supply chain, English and Spanish are sufficient for the workforce. Additionally, BELLA+CANVAS has well-trained auditors that would identify if additional language translations were needed. For continuous improvement beyond accreditation, FLA recommends that BELLA+CANVAS develop a timeline to re-evaluate languages at factories to further verify this information. Doing so will also prepare BELLA+CANVAS to extend the social compliance program into upstream tiers or into countries where production might expand.

Training on Workplace Standards and Effectiveness

BENCHMARK 4.4 (Sourcing): Company ensures that workers, managers, and supervisors are trained on workplace standards at regular intervals to take account of labor turnover.

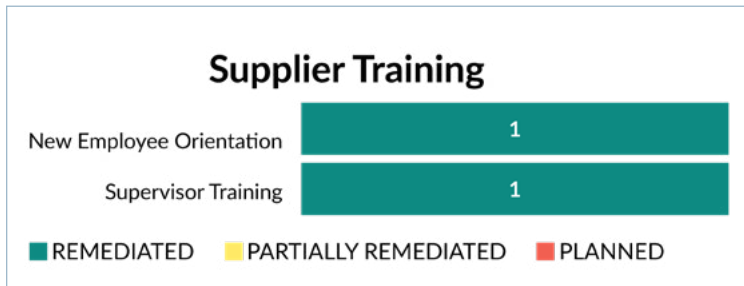
BENCHMARK 4.2 (Production): Company (a) ensures that workers, managers, and supervisors are trained on workplace standards at regular intervals to take account of labor turnover and (b) informs managers of the potential of FLA assessments and the Company's expectation to remediate.

BENCHMARK 4.3 (Production): Company measures the effectiveness of training for workers, managers, and supervisors.

Company Actions and FLA Verification:

The director of human resources, in collaboration with the social compliance team, coordinates the workplace standards training and refresher training for all workers, managers, and supervisors in owned and contracted factories. The training includes BELLA+CANVAS' code of conduct and an overview of the social compliance program and concludes with a post-training quiz and survey. As is the case when training regional and headquarters staff, the post-training quiz requires participants to score 65% or higher and the human resources team tracks completion rates. The post-training survey includes questions for participant feedback and to test the effectiveness of the training.

BELLA+CANVAS' audit tool includes questions to ensure regular training on workplace standards and gauge worker, supervisor and manager understanding of workplace standards. FLA has verified that the social compliance assessments have led to improved training on workplace standards. For example, BELLA+CANVAS assessed an owned factory in Honduras in 2022 and identified that there were no reoccurring trainings on workplace standards for workers. The assessor recommended that the factory implement a training program on workplace standards. BELLA+CANVAS successfully worked with HR management at the factory to develop a training program on workplace standards for workers, supervisors, and managers. Furthermore, FLA has verified that violations related to workplace standards training from SCI assessments and sampled internal audits have been fully remediated.



During a 2021 SCI assessment in El Salvador, auditors found that new workers hired that year did not receive orientation training. Supervisors were also not receiving orientation trainings at the time of the assessment. Management cited challenges in resuming group training due to a COVID-19 distancing requirement. As a temporary solution, BELLA+CANVAS' human resources team created a morning audio announcement about the code of conduct and added related content to the orientation manual for new employees. FLA has verified the content added to the orientation manual.

Strengths:

- The coordination between BELLA+CANVAS' human resources and social compliance teams to deliver the workplace standards training helps the company manage the disruptions to production schedules caused by the training. This reduces stress on workers, supervisors, and managers and increases buy-in to the training program.



PRINCIPLE 5: MONITORING

Company Member conducts workplace standards compliance monitoring.

WHY: A company must monitor its facilities to ensure that its workplace standards are being upheld throughout its supply chain. FLA evaluates companies' monitoring programs to ensure that they have a rigorous system for assessing working conditions at all existing and potential production facilities.

Pre-sourcing assessments

BENCHMARK 5.1 (Sourcing): Company Member conducts pre-sourcing assessment of contract facilities to review compliance with workplace standards.

BENCHMARK 5.1 (Production): Company Member conducts pre-production inspections and early production assessments of new owned facilities to review compliance with workplace standards.

Company Actions and FLA Verification:

To integrate a new factory into the company's supply chain, BELLA+CANVAS implements a well-defined workflow that assigns specific responsibilities to headquarters and regional staff. Company executives and production leaders provide input on the need for additional capacity and assist in identifying potential new factories. After the social compliance, finance, and legal departments all conduct initial due diligence, the social compliance department launches an in-depth social compliance review. This review begins with a self-assessment and may also include an in-person visit by the social compliance staff. Factories that pass this first step receive a full assessment utilizing the BELLA+CANVAS assessor manual and audit tool. The director of social compliance communicates the results of this assessment to production leaders and company executives. For both contract and owned factories, the full initial assessment results in a CAP which carries over into the factory's relationship with BELLA+CANVAS.

BELLA+CANVAS may approve a new contract factory in the case of a strong result, conditionally approve it when improvements are needed, or reject it in the case of a poor result or zero-tolerance issues. Conditional improvement requires signatures from senior management acknowledging that long-term business is contingent on the factory's progress in addressing the findings of the initial assessment.

When acquiring a new owned factory, a poor result triggers a special review process in which the president and company ownership, drawing on analysis from the heads of production and social compliance, decide whether or not BELLA+CANVAS should proceed with acquisition or reject the factory. If the factory is approved, it must demonstrate progress in remediation and undergo capacity building, supervised by the director of social compliance. After these remedial steps, the heads of production and social compliance meet a second time with the president, chief operating officer, and ownership to determine whether progress has been sufficient to maintain ownership.

BELLA+CANVAS has submitted multiple examples of this pre-sourcing process being implemented for both contract and owned factories. Using this documentation, FLA confirmed that new factories undergo full audits as part of onboarding. FLA reviewed the case of a factory under consideration which received poor results, including critical non-compliance findings in the initial audit. Faced with the supplier's inability to correct these issues, the social compliance department recommended that the factory not be onboarded; BELLA+CANVAS' executives supported this decision. At the headquarters assessment, FLA interviewed production leaders and BELLA+CANVAS executives to confirm that they understand their roles in this process and support the social compliance staff in implementing it.

Strengths:

- BELLA+CANVAS uses its full audit protocol to assess potential new factories. As a result, BELLA+CANVAS enters the business relationship with full awareness of potential challenges, and the new factory gains an understanding of BELLA+CANVAS' expectations.
- Social compliance staff, production leaders, and company executives are in close communication throughout the new factory approval process.

Monitoring Program and Compliance Standards

BENCHMARK 5.2 (Sourcing): Company Member monitors facilities regularly to assess compliance with workplace standards.

BENCHMARK 5.2 (Production): Company Affiliate conducts annual social compliance assessments at every owned production site.

Company Actions and FLA Verification:

For both contract and owned production, BELLA+CANVAS conducts annual assessments of all Tier One factories. This policy is clearly laid out in the company's vendor manual. BELLA+CANVAS has submitted audit schedules, internal communications, and audit reports to verify that assessments take place annually. All assessments utilize the BELLA+CANVAS assessor manual and audit tool, which are fully aligned with the FLA Workplace Code of Conduct and compliance benchmarks. Based on the number and severity of non-compliance findings found during the assessment, the factory receives a score of "Green," "Yellow," "Orange," or "Red." Each score results in a different priority level for follow-up, potential follow-up visits or audits, and future audit scheduling.

Through two audit field observations at BELLA+CANVAS owned factories (in Nicaragua and the United States), FLA confirmed that BELLA+CANVAS consistently communicates the audit methodology and tool to assessors and clearly communicates its expectations to factory management regarding cooperation with the audit and with the remediation process.

Strengths:

- Every item in the BELLA+CANVAS audit tool has an associated severity value. BELLA+CANVAS determines the value and updates it using input from experienced auditors. As a result, an audit score is determined not only by the raw number of findings, but by the overall risk and impact associated with the issues uncovered. This gives BELLA+CANVAS a more accurate understanding of factory-level conditions and allows the company to focus its efforts upon high-risk situations or severe violations.
- Over the course of the accreditation journey, BELLA+CANVAS worked with FLA to understand potential risks associated with the use of employment agencies. As a result of this engagement, BELLA+CANVAS has instituted annual audits not only of production factories, but also of the employment agencies themselves. These audits provide independent verification that the employment practices of these agencies align with the BELLA+CANVAS code.

Recommendations for Continuous Improvement:

- Currently, the only risk factor that BELLA+CANVAS analyzes and acts upon in this system is the factory’s audit score. Beyond accreditation, FLA recommends that BELLA+CANVAS incorporate criteria such as country risk, type of production work, or trends in labor violations into its analysis of factories. This will be particularly valuable should BELLA+CANVAS’ Tier One supply chain expand.

Audit Components and Quality

BENCHMARK 5.3: Company Member ensures that its monitoring program includes, but is not limited to:

a) Worker interviews, b) Consultation with unions or worker representative structures (where applicable), c) Collective bargaining terms review (where applicable), d) Management interviews, e) Documentation review, f) Visual inspection, and g) Occupational safety and health review.

Company Actions and FLA Verification:

For all assessments, assessors utilize the BELLA+CANVAS assessor manual and audit tool. Throughout BELLA+CANVAS’ accreditation journey, both of these resources have undergone multiple revisions to ensure alignment with the Fair Labor Code and principles, industry best practices, and the particular needs of BELLA+CANVAS’ supply chain and business model. The assessor manual not only lays out the elements that BELLA+CANVAS expects of all assessments but provides clear and useful guidance for assessors on how to execute these elements effectively. The BELLA+CANVAS audit tool provides a clear and consistent template for assessors to report findings.

In keeping with the FLA principles, the BELLA+CANVAS assessor manual and audit tool scrutinize factories’ systems for training workers on their rights. Assessors collect training records and materials, while using worker interviews to verify that trainings are effective. If a CBA is in effect at a factory, BELLA+CANVAS assessors are directed to review that CBA and apply its standards to the assessment. Where applicable, assessors are also directed to gauge workers’ actual knowledge of the union and CBA structure at their workplace.

During the BELLA+CANVAS accreditation journey, FLA conducted two audit field observations, shadowing assessors throughout factory audits in Nicaragua and in the United States. These observations allowed FLA to confirm that the assessor manual and audit tool are applied in practice and to deliver recommendations around BELLA+CANVAS' factory assessments.

Strengths:

- In response to feedback from an audit field observation, BELLA+CANVAS organized a training for its third-party audit service provider. In this training, BELLA+CANVAS' social compliance staff gave an overview of the BELLA+CANVAS compliance program and demonstrated the use of the assessor manual and audit tool. An expert in factory assessments then delivered an intensive workshop on the best practices for gathering and triangulating information during assessments. The training included mock interviews and other interactive exercises. This training provided the BELLA+CANVAS audit service provider with valuable knowledge and guidance on assessment practices.
- In response to feedback from an audit field observation, BELLA+CANVAS worked with its audit service provider to ensure that at least one female assessor is present on all audits. This best practice maximizes the assessor team's ability to connect with workers in interviews and elicit information about factory conditions.

Responsible Retrenchment

BENCHMARK 5.4 (Sourcing): Company Member monitors facilities to ensure implementation of responsible retrenchment policies and procedures that uphold workplace, legal, and collectively bargained standards.

BENCHMARK 5.4 (Production): When worker retrenchment occurs, company member conducts a responsible retrenchment process to ensure alignment with workplace, legal, and collectively bargained standards.

Company Actions and FLA Verification:

For both contract and production factories, assessors examine factories' policies and procedures for responsible retrenchment and ensure that they align with the BELLA+CANVAS code's requirements and with local law. Assessors also use document review, worker interviews, and management interviews to determine whether or not retrenchment has recently taken place at the factory. If it has, the assessment examines if the factory followed its procedures and legal requirements; if retrenchment was done in a fair, transparent, and equitable manner; and if workers received proper severance payments. Through the two audit field observations, FLA verified that assessors perform these steps during factory audits.

Strengths:

- BELLA+CANVAS applies the same assessment practices to both contract and owned factories, providing comparable and independent verification that it conducts retrenchment responsibly.

- During the accreditation journey, FLA examined examples of retrenchment in BELLA+CANVAS factories. In one case of factory closure, documentation demonstrated that BELLA+CANVAS worked to ensure that all workers received proper severance and arranged for all workers who so wished to be re-hired in a different BELLA+CANVAS factory in the same country. In a leading practice, BELLA+CANVAS collaborated with the country's ministry of labor to verify this process. BELLA+CANVAS has also submitted documentation to demonstrate that cases of retrenchment at owned factories were handled in accordance with the Fair Labor Code and principles.

PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS

Company Member ensures workers have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.



WHY: Functioning grievance mechanisms provide workers with a channel to raise concerns when they think their rights are being violated or the factory is not upholding workplace standards. Although monitoring programs are meant to ensure compliance with workplace standards, they cannot uncover or address every issue on their own. Functioning grievance mechanisms complement an effective monitoring system.

Ensuring Functioning Grievance Mechanisms

BENCHMARK 6.1 (Sourcing): Company Member ensures there are functioning grievance mechanisms at facilities.

BENCHMARK 6.1 (Production): Company Affiliate provides functioning grievance mechanisms at owned facilities.

Company Actions and FLA Verification:

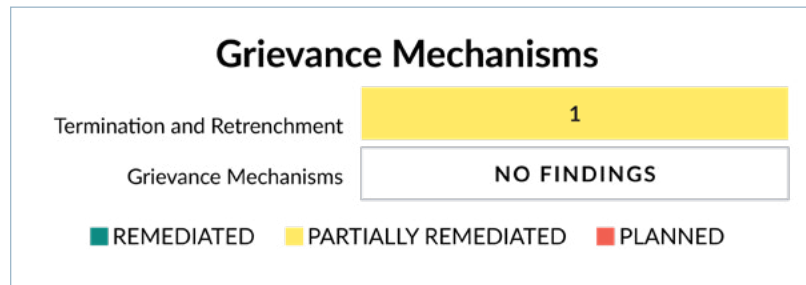
BELLA+CANVAS' monitoring program ensures that all workers across the company's supply chain can access effective grievance mechanisms, for both contract and owned factories.

In contract factories, BELLA+CANVAS uses the audit tool to verify that all factories have effective grievance mechanisms. This includes ensuring the existence of multiple grievance channels, including at least one confidential and one union and/or worker representative structure, safeguarding workers from retaliation, and operating a grievance tracking system. The monitoring program tools evaluate suppliers' grievance tracking systems to understand how a factory manages grievances it receives, holds staff accountable, and upholds timelines for resolution. In addition, BELLA+CANVAS' assessor manual guides assessors to verify workers' understanding and usage of the mechanism during worker interviews.

For owned factories, BELLA+CANVAS provides an extensive grievance system that includes multiple channels such as a suggestion box, roundtables in which workers and human resources staff participate, and a confidential hotline. These channels are available to all BELLA+CANVAS workers, including those employed by staffing agencies. Additionally, BELLA+CANVAS' grievance procedure manual provides guidance on non-retaliation, confidentiality, and how cases are handled from receipt to resolution, including how resolutions are communicated back to workers. The audit tool, which also applies to owned factories, provides independent verification that this system is effective at the factory level. The grievance procedure manual requires that the person receiving the complaint will record it in a designated reporting form. The social compliance manager tracks and records all violations. FLA has confirmed the implementation of this step by reviewing BELLA+CANVAS' grievance tracking charts. In addition, where

a BELLA+CANVAS factory does not have a union, the worker roundtable mechanism, which includes different workers in every session, serves as a worker representative mechanism.

BELLA+CANVAS has shared workers' feedback with FLA, indicating that grievances are resolved in accordance with the grievance policies and verifying the effectiveness of the grievance mechanism. In addition, FLA's audit field observation confirmed that assessors interview workers, review documents, assess the factory staff's ability to uphold grievance policies, ensure at least one confidential channel, and detect breaches of confidentiality.



FLA uses the SCI assessment process to confirm that workers in member companies' factories have effective access to grievance mechanisms. Across SCI assessments conducted at BELLA+CANVAS' owned and contracted facilities, there were no violations regarding grievance mechanisms. The 2023 SCI (United States) identified one finding related to insufficient plans for mitigating the impacts of retrenchment but found nothing to indicate that workers lacked access to grievance mechanisms during the retrenchment process.

Strengths:

- BELLA+CANVAS has demonstrated through examples that if it finds violations related to access to grievance mechanisms, they are being fully remediated. For example, in cases of retaliation against workers filing grievances, managers have been removed. Furthermore, in a specific case in which a worker reported sexual harassment, BELLA+CANVAS substantiated the information and promptly escalated the issue to the head of production and the president. Following that, BELLA+CANVAS conducted a training program regarding harassment for supervisors and managers. In addition, BELLA+CANVAS updated the employee handbook in 2024 and included language on non-retaliation in response.
- BELLA+CANVAS' social compliance manager conducts follow-up reviews at contract factories where the grievance mechanism has been shown to be ineffective during an audit. BELLA+CANVAS has provided evidence of it sharing resources with factories to enhance the grievance mechanism.
- BELLA+CANVAS' HR staff constantly highlights that there is zero tolerance regarding non-retaliation during training and informs workers that if they experience retaliation, they should report it to HR.
- BELLA+CANVAS offers mental health support resources, free of charge, for workers and their families who may need additional support as the result of a situation discussed through the grievance channel.

Recommendations for Continuous Improvement:

- As worker roundtables are the key worker representative mechanism in BELLA+CANVAS factories, they are an important platform for workers to raise their concerns with factory management and actively participate in remediation alongside other workers. Thus, FLA recommends that BELLA+CANVAS ensure this mechanism is effectively publicized and increase its efforts to maximize worker awareness and buy-in. In addition, FLA recommends that the worker representatives election process be formalized and effectively communicated to workers.

Confidential Reporting Channel Direct to the Company

BENCHMARK 6.2 (Sourcing): Where local mechanisms are not functioning, Company Member provides alternative channels for workers to contact the brand directly and confidentially.

BENCHMARK 6.2 (Production): Company Member provides alternative channels for workers to contact the company head office directly and confidentially.

Company Actions and FLA Verification:

BELLA+CANVAS provides multiple alternative grievance channels for workers across its supply chain, in both contract and owned factories, to reach out directly to the company headquarters. For contracted factories, BELLA+CANVAS uses a third-party reporting platform as its confidential reporting channel. The platform includes hotline, SMS, email, and online form options. Furthermore, auditors are required to provide interviewed workers with contact/grievance channel information. During an audit field observation, FLA verified that BELLA+CANVAS publicly and prominently posts information about the channel for workers to access.

At owned factories, BELLA+CANVAS provides workers with multiple confidential grievance channels in a branded system known as Conect@. This includes a suggestion mailbox at the factory level and the same anonymous hotline to reach company headquarters that is available in contract factories. BELLA+CANVAS' grievance procedure policy details how the company responds, follows up, and remediates grievances submitted through the confidential channel, and how workers are safeguarded from retaliation. For both contract and owned factories, auditors are required to provide interviewed workers with contact cards and grievance channel information during assessments. FLA's audit field observation verified that auditors distributed contact cards, tracked grievances, and prominently posted the company's anonymous hotline in relevant languages.

BELLA+CANVAS' implementation of its grievance mechanisms includes strong efforts to ensure that they are accessible and relevant to workers at the factory level. For example, BELLA+CANVAS' HR director for Central America noticed the suggestion boxes were not being used, so she launched a communication campaign to increase staff engagement and discovered that the boxes were in a high-traffic area, making it difficult for workers to use them. As a solution, she decided to relocate the boxes to a less crowded area and improve their appearance. This led to a significant increase in the use of the suggestion boxes and provided her with valuable insights that may not have been uncovered otherwise.

Strengths:

- Through reviewing BELLA+CANVAS' efforts to socialize the grievance mechanisms, including the example described above, FLA has confirmed that BELLA+CANVAS prioritizes workers' voices and seeks to ensure that workers have genuine access to grievance mechanisms.

Training on Grievance Mechanisms

BENCHMARK 6.3 (Sourcing): Company Member ensures training and communication is provided to all workers, supervisors, and managers about the grievance mechanisms.

BENCHMARK 6.3 (Production): Company Affiliate provides training and communication to all workers, supervisors, and managers about all available grievance mechanisms, policies, and procedures.

Company Actions and FLA Verification:

In both contracted and owned factories, BELLA+CANVAS assessments verify that it trains workers, supervisors, and managers on the grievance mechanisms. When training workers on grievance mechanisms at owned factories, the company operates a post-training feedback mechanism and ensures that the lessons from the training are being implemented through document reviews and workers' interviews, as FLA observed during an audit field observation.

BELLA+CANVAS' audit methodology ensures that training occurs annually and assesses its effectiveness by evaluating if workers, supervisors, and managers can recall and understand the training content. The assessor manual requires the auditor to ask for training materials and schedules. FLA has reviewed documented examples of BELLA+CANVAS assessing the effectiveness of the grievance mechanism training program. For example, one BELLA+CANVAS assessment of an owned factory in the United States revealed the lack of training on grievance mechanisms for workers, supervisors, and managers. The factory's CAP for this non-compliance included the implementation of a training program as evidence of remediation. FLA verified these assessment practices firsthand through audit field observations.

Strengths:

- FLA observed a training delivered to BELLA+CANVAS' audit service provider on advanced interview and document review techniques to verify workers', managers', and supervisors' grasp of grievance mechanisms. With this knowledge, assessors are well-equipped to verify that the annual trainings required by the code of conduct are effective.
- For owned factories where staffing agencies are utilized, these workers receive the same training as their directly employed counterparts on how to raise grievances, ensuring that all workers are aware of BELLA+CANVAS' grievance mechanisms and their right to utilize it.



PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

Company Member collects, manages, and analyzes workplace standards compliance information.

WHY: A company cannot make substantial improvements to its social compliance program and human rights due diligence systems as well as workers' lives without collecting and analyzing information related to its training, monitoring, and purchasing programs. This information allows companies to track the continuous improvement of their compliance program and communicate that improvement to both internal and external stakeholders.

Collection of Facility Data

BENCHMARK 7.1: Company Member maintains a complete and accurate list of facilities and collects and manages compliance and workplace information.

Company Actions and FLA Verification:

BELLA+CANVAS regularly collects data points on social compliance and workplace information through an online spreadsheet system, using frequent factory visits to verify and update information submitted by suppliers. The social compliance team tracks the addresses, contact information, historical audit data, root causes of non-compliance, previous labor disputes, incidents and accidents, and the presence of unions or collective bargaining agreements at Tier One factories and upstream fabric sources. The company manages audit findings and other compliance data through an interlocking system of spreadsheets that update automatically as new audit results are confirmed. This system ensures that BELLA+CANVAS' analysis of factories' compliance performance (see Benchmark 7.2) utilizes accurate and up-to-date data.

Strengths:

- BELLA+CANVAS has conducted upstream supply chain mapping and achieved full visibility into its spinning facilities, cotton greige sources, and dyehouses. In a leading practice, BELLA+CANVAS publicly discloses the names and locations of these facilities along with Tier One factories.

Analyzing Social Compliance Trends

BENCHMARK 7.2: Company Member analyzes trends in non-compliance findings.

Company Actions and FLA Verification:

Since 2021, BELLA+CANVAS has conducted an analysis of social compliance trends organized by country, type of non-compliance, as well as audit type and quantity. In addition, the company has aggregated compliance data into visualizations that display remediation progress, the number of findings per benchmark, and insights across compliance categories such as health, safety, and environment (HSE), HR, security, and operations. The social compliance team presents this aggregated and analyzed data to senior leadership annually and during quarterly global sustainability committee meetings. In addition, the social compliance manager conducts bi-weekly, in-person visits to owned factories. She shares visualized social compliance data with the factory management and the head of production and operations monthly and discusses progress on remediation as well as the resources needed. FLA has verified that BELLA+CANVAS visualizes compliance trends, presents them to factory management and senior leadership, and uses them to identify systemic issues and severe violations.

Strengths:

- BELLA+CANVAS' head of production and operations holds weekly meetings with the company's president to share compliance information.
- BELLA+CANVAS has demonstrated how the social compliance data is used, if needed, to launch follow-up audits or other resources (e.g., social compliance staff time) to address the issues discovered. One such example involved a lack of fire safety equipment, which was promptly resolved with support from senior leadership. Another example involved a consistent audit finding related to a lack of training at factories. In consultation with the director of manufacturing, BELLA+CANVAS added more training.
- FLA has verified examples in which BELLA+CANVAS' data analysis indicated a need for additional investment in staff or supplier capacity to address compliance gaps. In these cases, senior leadership supported these investments, including through budget allocations when needed.

Recommendations for Continuous Improvement:

- As a best practice beyond accreditation, FLA recommends that BELLA+CANVAS develop written procedures that guide the social compliance staff on how to conduct data collection and analysis. This will assist BELLA+CANVAS in conducting regular and complete data analysis as its supply chain expands, in addition to preparing the company for possible staff turnover.
- BELLA+CANVAS currently shares only some compliance data with senior leadership, typically in cases of underperformance or when an issue needs to be addressed immediately. Beyond accreditation, FLA will verify that the global sustainability committee regularly receives and reviews trend analysis.



PRINCIPLE 8: TIMELY AND PREVENTATIVE REMEDIATION

Company Member works with suppliers to remediate in a timely and preventative manner.

WHY: Monitoring gives a company visibility into the workplace standards violations in its supply chain. An effective remediation system is necessary so that a company can address and fix those issues over time.

Remediation Procedures

BENCHMARK 8.1: Company Member provides regular follow-up and oversight to implement corrective action following assessments.

Company Actions and FLA Verification:

BELLA+CANVAS' social compliance manual details the policies and procedures for monitoring and remediation, with five key objectives: continuous improvement, collaboration, root cause analysis, sustainable action, and baseline expectations. The remediation program continuously aims to improve working conditions by collaborating with stakeholders to address root causes and create effective remediation plans. Suppliers commit to root cause analysis and remediation by signing an acknowledgment of BELLA+CANVAS' expectations at the beginning of the sourcing relationship. To support suppliers, BELLA+CANVAS provides regular workplace standards training that includes remediation procedures and an overview of the monitoring program. New factories receive in-person training from social compliance staff on remediation policies and procedures. The manual sets firm deadlines and expectations for zero-tolerance issues and requires factories to provide updates on CAPs to the social compliance team until resolution. To support factories in remediation, the social compliance manager conducts biweekly visits to factories in Central America to remind factory management of the procedures and to track remediation progress.

BELLA+CANVAS' social compliance manual includes key stakeholders for collaboration in their remediation procedures and protocols to standardize the practice of collaborating with workers and worker representatives. The primary way BELLA+CANVAS consults worker representatives in remediation is through monthly worker roundtables and worker committees, such as integrating discussions into the work of legally required health and safety committees in factories in Central America. In owned factories, human resources and factory management collaboratively lead monthly roundtables with workers' representatives, including workers from staffing agencies. These worker roundtables facilitate discussion between workers and factory management on working conditions and include follow-up on grievances. In contracted factories in Central America, BELLA+CANVAS utilizes the health and safety committees for collaborative dialogue between workers and management to address working conditions and resolve non-compliance issues. The audit tool includes guidance to assessors to check for worker-management dialogue venues at the factory level. FLA has verified the implementation of monthly worker roundtables and health and safety committees and will continue to monitor these mechanisms for collaborative remediation.

Strengths:

- In Central America, the social compliance manager conducts biweekly visits to factories to check in with factory management on the procedures for remediation progress and to track progress. BELLA+CANVAS encourages factories to involve worker representatives in such meetings, specifically when unions or health and safety committees are present at the factory.

Recommendations for Continuous Improvement:

- As worker roundtables are the key worker representative mechanism in BELLA+CANVAS factories, they are an important platform for workers to raise their concerns with factory management and actively participate in remediation alongside other workers. Thus, FLA recommends that BELLA+CANVAS ensures this mechanism is effectively publicized and increases its efforts to maximize worker awareness and buy-in. In addition, FLA recommends that the worker representatives election process be formalized and effectively communicated to workers (see Benchmark 6.1).

Root Cause Analysis

BENCHMARK 8.2: Company Member works with the supplier to determine root causes and take action to reduce risk and prevent future non-compliance.

Company Actions and FLA Verification:

BELLA+CANVAS requires factory management and stakeholders to conduct root cause analysis for each finding. Factories must document the analysis for each finding in the CAP. Social compliance staff review the analysis and internally track remediation progress. To support this process, the social compliance team provides interactive training on root cause analysis to factory management and worker representatives at contracted and owned factories. The team also regularly engages with management to improve their root cause analysis abilities. In Central America, the social compliance team regularly facilitates discussions between factory management, human resources, and other staff such as HSE, security, and operations to improve analysis. Based on recommendations from FLA, BELLA+CANVAS has also provided root cause analysis training to the health and safety committee at a factory in Nicaragua to better enable the workers to participate in discussions of audit findings.

FLA has reviewed documented examples of how the social compliance team has provided capacity-building solutions to address underlying root causes. Notably, the social compliance team identified recurring HSE findings that revealed knowledge gaps among supervisors on HSE requirements. In response, the social compliance team allocated resources to deliver supplementary HSE training to supervisors. The social compliance manager conducts modular and focused assessments on recurring findings to follow-up on remediation and continues this work to identify root causes for non-compliances.

Strengths:

- In Central America, BELLA+CANVAS regularly facilitates discussions between factory management, human resources, and other staff from HSE, security, and operations to improve the root cause analysis for CAPs.
- BELLA+CANVAS has provided training to factory management teams and worker representatives on root cause analysis. These interactive trainings feature scenario questions to test participants' knowledge and application of root cause analysis.

Recommendations for Continuous Improvement:

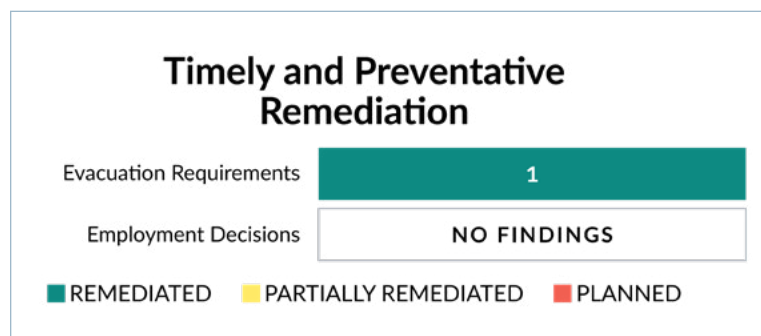
- FLA has not collected examples of how risk assessments are used to identify and reduce risks of labor violations in factories. For continuous improvement beyond accreditation, BELLA+CANVAS should develop proactive risk assessments to identify and reduce risks related to labor violations in owned and contracted factories.

Ensuring Effective Remediation

BENCHMARK 8.3: Company Member records and tracks the progress and effectiveness of remediation for internal assessments.

Company Actions and FLA Verification:

BELLA+CANVAS conducts regularly scheduled assessments annually and has full and partial follow-up visits to follow up on remediation, major non-compliances, capacity-building, and risk management. The social compliance team actively monitors remediation progress using a detailed tracking document that includes root cause analysis, target completion dates, and verification of remediation evidence. To verify remediation, the social compliance team collects documentation from factories, including revised policies, procedures, photographs, and training records. For recurring non-compliances, the social compliance team performs modular assessments to identify root causes and help the factory implement effective remediation.



FLA has reviewed documented examples where BELLA+CANVAS supported suppliers in addressing non-compliances through strategic interventions. For example, the social compliance team engaged production and manufacturing leadership to communicate with suppliers, using their influence to drive remediation efforts. Additionally, the social compliance and production teams hold regular meetings with all factories to review compliance ratings.

Member companies must provide FLA with updates on remediation progress, and eventually evidence of full remediation, for all SCI findings. FLA has verified

several examples in which factories successfully remediated non-compliances found during SCI assessments, demonstrating the effectiveness of BELLA+CANVAS' remediation system. During a 2021 SCI assessment in El Salvador, for example, auditors found the emergency alarm to be inaudible in the embroidery section, where machine noise is high and workers wear hearing protection. In keeping with BELLA+CANVAS' expectations for remediation, the factory installed an improved alarm system for the embroidery section and provided photo evidence to verify remediation.



PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY

Company Member identifies, researches, and engages with relevant labor non-governmental organizations, trade unions and other civil society institutions.

WHY: Locally based, labor-focused CSOs help companies better understand local conditions and issues that most acutely impact workers, which enable companies to make their supply chains more responsive to workers' needs.

Civil Society Engagement Strategy and Mapping

BENCHMARK 9.1 (Sourcing, Production): Company Member develops a civil society organization outreach strategy that reflects the geographical distribution of sourcing.

Company Actions and FLA Verification:

BELLA+CANVAS' stakeholder engagement policy governs its work with external stakeholders, including civil society organizations. This policy recognizes that effective stakeholder engagement can enrich and inform BELLA+CANVAS' business operations, including its efforts to meet its strategic goals for sustainability and social compliance (see Principle 1: Top Management Commitment and Workplace Standards). The policy highlights strategic countries for BELLA+CANVAS production along with the highest-risk countries in order to prioritize BELLA+CANVAS' stakeholder engagement efforts. The policy's scope includes both proactive outreach to external stakeholders and an approach to respond to incoming inquiries from civil society organizations or unions.

In addition to the stakeholder engagement policy, BELLA+CANVAS has conducted a mapping exercise to identify potential civil society groups, nonprofit organizations, government agencies, and other external stakeholders in its supply chain. The mapping document also serves as a log to track communication and collaboration with these stakeholders.

Strengths:

- The policy and mapping exercise encompass not only the countries where BELLA+CANVAS Tier One production takes place, but also the countries where BELLA+CANVAS sources inputs such as cotton thread.

Recommendations for Continuous Improvement:

- In keeping with FLA requirements, the stakeholder engagement policy sets goals for the company's stakeholder engagements and includes elements to measure and track progress towards these goals. Currently, BELLA+CANVAS takes these goals and performance indicators from its implementation plans for its strategic sustainability goals. As a result, they are relatively broad. As best practice beyond accreditation, FLA recommends that BELLA+CANVAS identify more narrow indicators to measure the effectiveness of specific civil society engagement projects.

Engagement on Local Labor Issues

BENCHMARK 9.2 (Sourcing, Production): Company Member develops and maintains links to relevant CSOs to gain understanding of local labor issues.

Company Actions and FLA Verification:

Interaction with stakeholders, including civil society organizations, has improved BELLA+CANVAS' understanding of the local landscape in sourcing countries including Nicaragua and India. In one example, BELLA+CANVAS was approached by the organization Transparentem to discuss the situation for workers in Tamil Nadu, India. In this instance, BELLA+CANVAS engaged with Transparentem to understand the indicators of forced labor identified in Transparentem's investigations of spinning mills in Tamil Nadu. BELLA+CANVAS later joined an industry working group and participated in an advocacy project to urge the Tamil Nadu government and local industry groups to improve minimum wages. In addition, BELLA+CANVAS has used its membership in the Americas Group to understand country-level issues in Central America, where most BELLA+CANVAS production takes place.

Engagement on Training, Worker Communication Channels, and Remediation

BENCHMARK 9.3 (Sourcing, Production): Company Member strategizes with CSOs and knowledgeable local sources in the design and implementation of workplace standards compliance programs.

Company Actions and FLA Verification:

Due to restrictions on the activities of civil society organizations in some BELLA+CANVAS sourcing countries, BELLA+CANVAS has emphasized engagement with local technical experts to complement the company's social compliance programs. These collaborations have included factory safety improvements, worker trainings on job skills, and health programs for workers. These interventions have impacted workers in Honduras and Nicaragua, the centers of the company's owned production.

Recommendations for Continuous Improvement:

- FLA has verified that BELLA+CANVAS is developing a collaborative plan with a civil society group in Nicaragua to provide expert trainings at the factory level on gender, based on an identified need to address key issues facing women workers in the country's export processing zones. BELLA+CANVAS should continue to develop this collaboration and prepare for its implementation in 2025.

Union and Worker Representative Consultation

BENCHMARK 9.4 (Sourcing): Company Member consults with supplier management and legally constituted unions or worker representative structures to gain an understanding of relevant relationships.

BENCHMARK 9.4 (Production): Company Member consults with legally constituted unions or worker representative structures at owned facilities.

Company Actions and FLA Verification:

Through its factory monitoring system (see Principle 5: Monitoring) and ongoing dialogue with suppliers (see Principle 2: Responsible Purchasing and Production Practices), BELLA+CANVAS remains abreast of the presence of unions and CBAs in its supply chain. Where unions are present, BELLA+CANVAS includes them in opening and closing meetings of factory assessments, along with the CAP and remediation process. Outside of the monitoring process, the stakeholder engagement policy prepares BELLA+CANVAS to respond to issues or questions raised by unions through an intake process similar to that of the grievance hotline.



FLA conducted SCI assessments at both contract and owned facilities in the BELLA+CANVAS supply chain. The assessments did not identify non-compliances related to employer interference in unions, refusal to engage in collective bargaining or to comply with collective bargaining agreements, or any other freedom of association violations.



PRINCIPLE 10: VERIFICATION REQUIREMENTS

Company Member meets FLA verification and program requirements.

WHY: FLA requires that companies maintain SOPs related to FLA membership to ensure that the company is upholding FLA requirements regardless of employee turnover, changes in ownerships, changes in supply chain etc. These SOPs ensure that the company will adhere to FLA requirements.

FLA Membership

BENCHMARK 10.1: Company Member maintains standard operating procedures related to FLA membership.

BENCHMARK 10.2: Company Member participates in FLA due diligence activities, including assessments at facilities and company headquarters, as applicable.

BENCHMARK 10.3: Company Member completes a standardized annual report on fulfillment of Principles of Fair Labor and Responsible Sourcing.

BENCHMARK 10.4: Company Member maintains a complete and accurate profile and list of facilities with FLA and publicly.

BENCHMARK 10.5: Company Member responds to FLA requests for documentation, contracts, information and clarification in a timely manner.

BENCHMARK 10.6: Company Member pays annual dues and applicable fees on schedule.

Company Actions and FLA Verification:

Representatives from the BELLA+CANVAS team have attended FLA board meetings and participated actively in the Business Caucus since joining FLA. In addition, BELLA+CANVAS has completed all FLA administrative requirements; the company has paid all annual dues, completed the annual self-assessment, provided an up-to-date factory list, and received applicable SCI assessments and field observations.

APPENDIX A: REMEDIATION PROGRESS

The chart below shows the full remediation progress analysis from BELLA+CANVAS' SCI assessment included throughout this report.

BELLA+CANVAS Remediation Progress

Sexual Harassment	NO FINDINGS
Freedom of Movement	NO FINDINGS
Forced Overtime	NO FINDINGS
Grievance Mechanisms	NO FINDINGS
Employer Interference in Union Operations	NO FINDINGS
Pregnant Worker and New Mother Protections	NO FINDINGS
Employment Decisions	NO FINDINGS
Proof of Age Documentation	NO FINDINGS
No Rest Day	NO FINDINGS
General Compliance Hours of Work	NO FINDINGS
Accurate Wage Records, Calculation, and Payment	NO FINDINGS
Collective Bargaining Agreement Compliance	NO FINDINGS
Minimum Wage	NO FINDINGS
Legally Mandated Benefits	NO FINDINGS
Recruitment Practices	NO FINDINGS
Production Targets	1
Monetary Fines	1
Termination and Retrenchment	1
New Employee Orientation	1
Machinery Safety	1
Evacuation Requirements	1
Personal Protective Equipment (PPE)	1
Supervisor Training	1
Chemical Management	2

■ REMEDIATED ■ PARTIALLY REMEDIATED ■ PLANNED