



Assessment for Accreditation



March 2026
L2 Brands

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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), the 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 L2 BRANDS' FAIR LABOR ACCREDITATION

Since joining FLA in 2016, L2 Brands has continuously improved its social compliance programs to meet the expectations of FLA's 10 principles, enforcing the elements of the FLA Workplace Code of Conduct across its supply chain. This report details FLA's evaluation of L2 Brands' social compliance program through March 2026.

Some highlights of L2 Brands' accreditation include:

Company-wide commitment: L2 Brands' high-level commitment to sustainable and ethical business practices is illustrated through the involvement of the company's president, team leadership, and owned production operations leaders in key production and sourcing decisions that prioritize worker well-being. These same leaders receive updates on audit results, support investment in social compliance programs, and collaborate with the corporate social responsibility (CSR) team to assess impacts on workplace conditions when making key decisions.

Supplier relationships: L2 Brands has long-term and transparent relationships with its suppliers and owned factories, and prioritizes these relationships. L2 Brands has invested significantly into its owned facility in El Salvador, including through upskilling workers to increase potential job growth. On average, L2 Brands holds relationships with sourcing suppliers for eight or more years, understanding that collaboration with a supplier remains central to upholding workers' rights and responsible purchasing commitments. Since joining FLA, L2 Brands has invested significantly in forecasting and planning tools and jobs, developing a comprehensive supplier scorecard, and streamlining assessments and data under one supplier data management system. Through this work, L2 Brands improved dialogue and data analysis on key production and sourcing indicators, allowing for transparent, supportive discussions across suppliers and owned sites on how L2 Brands can support continued success and collaboration for workplace standards implementation.

Training for suppliers and at owned facilities: With social compliance staff working closely and collaboratively with human resources teams across both owned production sites, L2 Brands provides comprehensive facility training on workplace standards and grievance mechanisms. L2 Brands offers suppliers access to FLA e-Learning offerings, including courses and trainings, covering a variety of topics such as code of conduct elements, worker engagement, and handling grievances.

L2 BRANDS' ACCREDITATION

FLA ACTIVITY	PURPOSE
<p>Headquarters and Field Office Assessments <i>October 2025; Pennsylvania, USA</i> <i>June 2018; El Salvador</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: June 2018, El Salvador</i> <i>Training: June 2018, El Salvador</i> <i>Audit: September 2022, Philippines</i> <i>Training: January 2023, El Salvador (virtual)</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>Facility-Level Assessments (Sustainable Compliance Initiative Assessments, or SCI Assessments) 2017-2025 (7)</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 Principles of Fair Labor and Responsible Sourcing.
<p>Fair Labor Investigations N/A</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 the FLA 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.

COMPANY OVERVIEW

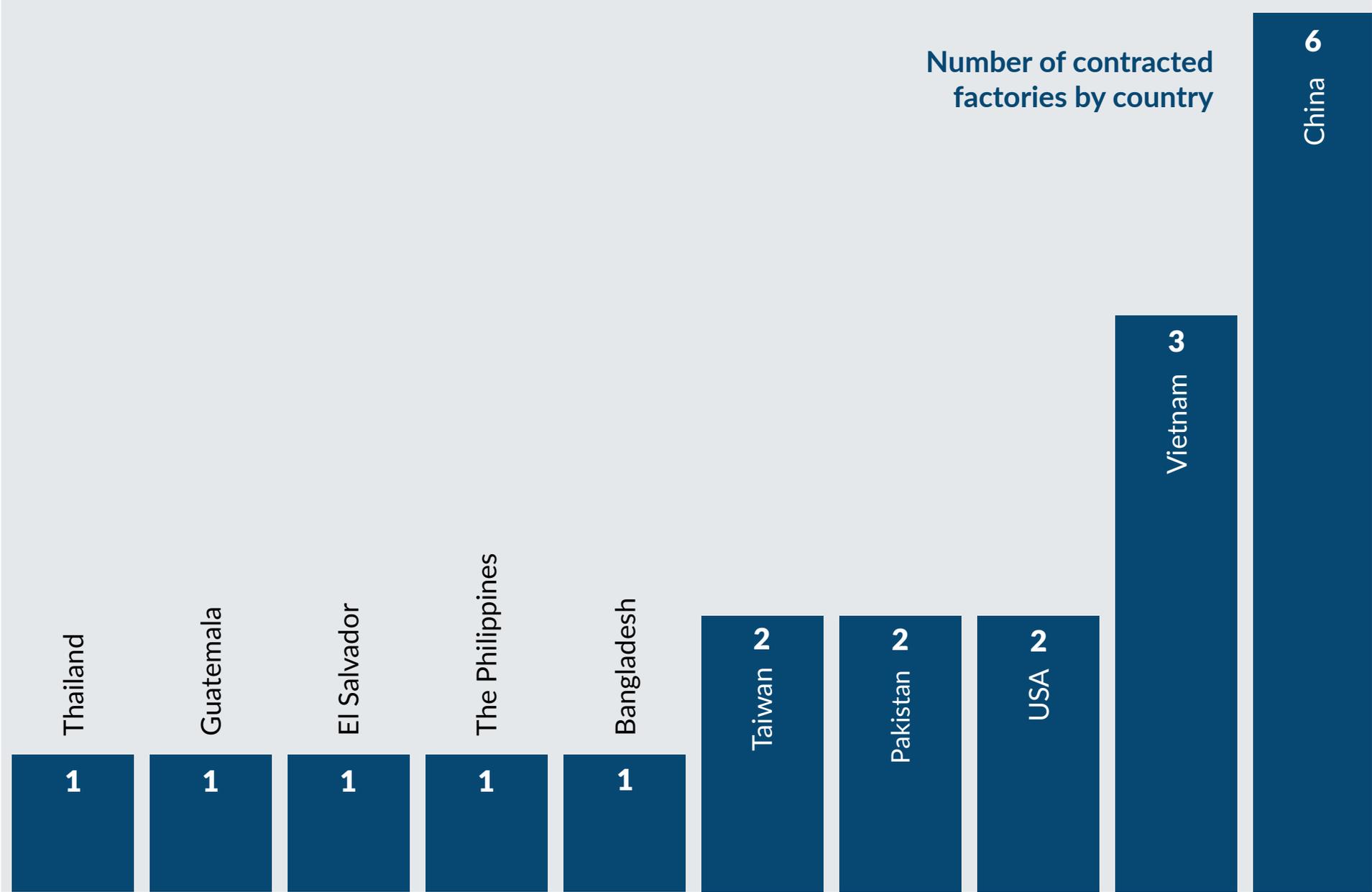
NAME	L2 Brands	CATEGORY	Participating Company (Hybrid)
HQ LOCATION	Hanover, Pennsylvania	PRODUCT	Apparel, accessories
FLA MEMBERSHIP	June 2016	APPLICABLE FACILITIES	18 contract, 2 owned

L2 Brands is dedicated to providing premium custom logo apparel, headwear, and home décor products. L2 Brands originated as League in 1991, and later merged with Legacy brands in 2018, creating L2 Brands as it is today. In 2022, L2 Brands acquired Locale and Ouray brands. Today, the company is headquartered in Hanover, Pennsylvania. Each of its private label brands fall under the FLA scope: League, Legacy, Ouray, and Locale.

L2 Brands employs 1,320+ employees globally, including headquarters staff and workers at its owned facilities. The company sources from 20 Tier One factories in scope for FLA reporting; this includes 18 contract factories across eight countries, and two owned factories in El Salvador and the United States with approximately 1,050 workers. L2 Brands is committed to operating responsibly in its business practices and ensuring safe, fair, and respectful workplaces within its contract and owned factories.

Based on factory count, the company's top three sourcing countries are China (six factories), Vietnam (three factories), and Pakistan, the United States, and Taiwan (two factories). From 2017-2025, FLA conducted seven [Sustainable Compliance Initiative](#) (SCI) assessments at L2 Brands' contract and owned facilities in El Salvador, Cambodia, the United States, China, Guatemala, and the Philippines. L2 Brands sources from 20 total factories, including 18 contract and two owned factories.

L2 BRANDS SUPPLY CHAIN



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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Internal Commitment (1.1a)	Social compliance goals are integrated into the company's annual operating plan. Part of these goals include utilizing an overall scorecard across cross-functional teams to review and assess compliance with FLA accreditation requirements.	L2 Brands' social compliance budget ensures sufficient resources are allocated to the social compliance program. Since joining FLA, the company has invested in a supplier data management system and grievance channels for owned and contract factories.	●
Public Commitment (1.1b)	L2 Brands publishes its commitment to FLA workplace standards on its website alongside corporate social responsibility priorities and practices such as supply chain risk management, accountability, and remediation. L2 Brands is in the process of developing a system to compile a public report on workplace standards progress.	L2 Brands' code of conduct, compliance benchmarks, and commitments to engage with civil society are all made public, as is the company's commitment to fair compensation.	●
Governance Responsibility and Accountability (1.1c)	The social compliance team reports to senior leadership on any human rights and workplace standards issues as well as on progress in meeting annual goals through regular (at a minimum quarterly) CSR meetings. The board of directors also receives key updates during quarterly board meetings.	The leadership team across L2 Brands meets at least every quarter to share updates on social compliance audit results, supplier performance, and data informing purchasing practices.	●
Code of Conduct and Compliance Benchmarks (1.2 a, b)	L2 Brands' code of conduct aligns with the Fair Labor Code and is operationalized through FLA aligned compliance benchmarks.	<i>The 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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Policies and Procedures (2.1a, b)	L2 Brands utilizes a responsible sourcing and purchasing practices strategy that lays out company guidelines, policies, and expectations around responsible sourcing and production.	L2 Brands' senior leadership and supply chain teams have clear responsible purchasing practices (RPP) and goal expectations, as outlined in its RPP policy. Supply chain leadership and CSR teams provide guidance and support to enable teams to uphold their commitments.	●
Accountability (2.2a, b)	Cross-functional teams collaborate across all functions to manage changes or issues that may occur throughout the production processes. L2 Brands maintains flexibility and a commitment to ensure that any changes at risk of resulting in negative impacts for workers are considered and addressed promptly.	Weekly meetings and check-ins allow leadership to hold teams accountable for the expectations laid out in L2 Brands' responsible purchasing and productions practices policy.	●
Dialogue (2.3a, b, c, d)	L2 Brands meets regularly with suppliers to review and make changes to how capacity has been allocated. This includes considering necessary lead times, major holiday considerations, and overall updates to sourcing and production.	FLA verified how L2 Brands' dialogue with suppliers is incorporated into its adjustments to allocations, ship dates, payments, and staffing plans to reduce risks to workers stemming from L2 Brands' production practices.	●
Supplier Evaluation and Incentives (2.4a, b, c)	L2 Brands provides scorecards to suppliers twice a year that evaluate them in the categories of logistics and planning, quality, product development, corporate social responsibility, and responsiveness. L2 Brands provides a scorecard to its El Salvador facility and will be implementing the scorecard system for Hanover in 2026.	L2 Brands supports high-scoring suppliers through positive incentives including less frequent audits, increased product allocation, and Supplier of the Year recognition. Employees at owned facilities are offered enhanced training opportunities as identified through regular performance evaluations.	●

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.

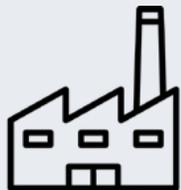
WHY: Effective implementation of social compliance standards and human rights due diligence systems depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the 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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Responsible Staff (3.1a, b)	L2 Brands' CSR team employs two full-time social compliance staff located in Plymouth Meeting, Pennsylvania. Their roles include monitoring facilities, addressing workers' rights violations, and reporting on social compliance to company leadership. The director of CSR leads this team and reports into the executive vice president (EVP) of partnerships, licensing and CSR.	<i>This KPI includes only system metrics.</i>	●
Social Compliance Staff Training (3.2a, b, c)	The director of CSR and EVP of partnerships, licensing, and CSR conduct an annual assessment to identify new, relevant training for CSR staff to enhance their knowledge of labor issues. CSR staff can access continuous learning via internal and external platforms.	CSR staff have received training on freedom of association, collective bargaining, and workplace standards, alongside training on other labor issues. FLA has verified that external training includes pre- and post-training quizzes to ensure effectiveness, which are managed by the director of CSR.	●
Head Office and Regional Staff Training (3.3a, b, c)	The director of CSR collaborates with the company's human resources (HR) managers to regularly develop and implement training for head office and regional staff. The trainings include code of conduct and workplace standards.	The onboarding process for new staff includes training on core values, the code of conduct, company policies, facility tours, and department-specific training. The CSR team tracks that each staff member has completed both the quiz and the survey.	●
Responsible Purchasing Practices (RPP) Training (3.4a, b, c)	All relevant staff at the Hanover and El Salvador owned facilities are required to complete RPP training, which the director of CSR hosts online. The training focuses on the brand's RPP policy and engagement with suppliers, equipping social compliance staff with the skills to implement the supplier scorecard process. The RPP training concludes with post-training surveys for feedback.	FLA has verified that all relevant staff have completed the RPP training. The director of CSR tracks completion rates through post-training feedback forms and attendance records. As L2 Brands continues its RPP training rollout for agents/intermediaries, FLA will verify all trainings were completed post-accreditation.	●

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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Written Acknowledgement to Uphold Workplace Standards (4.1a)	L2 Brands requires suppliers to sign a Master Vendor Agreement and Compliance Manual, which includes a requirement to uphold workplace standards, commit to the code of conduct, and comply with monitoring and remediation expectations.	L2 Brands provided its updated Master Vendor Agreement and Compliance Manual in Q4 2025 to suppliers, and is collecting signed copies through Q1 2026. The Master Vendor Agreement is embedded as part of the onboarding process for new factories and must be signed before any purchase orders are placed.	●
Conditioning Future Business (4.2a, b, c)	L2 Brands requires suppliers to commit to continuous improvement of workplace conditions. The compliance program uses a supplier rating system, which includes an escalation process for zero-tolerance issues and/or failure to remediate identified non-compliances. CSR team members update senior leadership on audit results and the remediation of critical findings at least weekly.	FLA has verified L2 Brands' escalation procedures for zero-tolerance issues, confirming top management is directly involved with follow-up processes and communication with the supplier to address these findings.	●
Workplace Standards Accessibility (4.3a)	In 2025, L2 Brands' social compliance team distributed the company code of conduct (with updated grievance mechanisms in all relevant languages) at both owned and contract factories. The company's audit tool verifies that factories post the code publicly. It also includes questions about workers' languages and migrant workers' countries of origin to ensure they have appropriate translations.	L2 Brands implements FLA-aligned audit standards in its third-party assessment manual, including verifying that factories are holding ongoing trainings on workplace standards for workers, managers, and supervisors.	●
Workplace Standards and Training Effectiveness (4.4a, b)	L2 Brands conducts annual workplace standards training for workers, managers, and supervisors at both owned factories. Training includes information on the code of conduct and compliance program, and includes a post-training quiz and survey.	FLA reviewed that L2 Brands' owned facilities have complete annual training materials on workplace standards and attendance trackers in place.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 5: MONITORING

SOURCING PRINCIPLE: Company Member conducts workplace standards compliance monitoring.

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

WHY: A company must monitor its facilities to ensure that its workplace standards are being upheld throughout its supply chain. FLA evaluates the company’s 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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Pre-Sourcing Assessments (5.1a, b)	L2 Brands implements a formalized Pre-Sourcing & New Facility Qualification Standard Operating Procedure (SOP) for both new owned and contract factories. The SOP includes an assessment of country and facility risk level, a mutually recognized or full L2 Brands social compliance audit, senior-level approval, and input from production leaders. New factories must receive at least a “Yellow” assessment result and complete a CAP before being approved for production.	FLA verified multiple examples of pre-sourcing assessment reports provided by L2 Brands. FLA has confirmed that relevant staff are aware of the onboarding process and uphold responsibilities outlined in the adjacent policies.	●
Monitoring Program and Compliance Standards (5.2a, b, c)	L2 Brands requires annual audit reports and conducts its own commissioned audit at least once every three years. L2 Brands assesses factories against standards aligned to the Fair Labor Code. Starting in 2026, both owned facility locations will receive annual audits.	FLA verified L2 Brands’ audit schedule, internal communication between L2 Brands and suppliers, internal and external assessment reports, and follow-up materials to confirm that the company implements its SOP on facility monitoring.	●
Audit Components and Quality (5.3a, b, c)	L2 Brands’ assessment manual and audit tool are used for owned and supplier assessments commissioned by the company. These documents provide detailed guidance on assessment components and how to execute assessments.	FLA reviewed numerous examples of audit reports and conducted a 2018 audit field observation at the company’s owned facility in El Salvador and a 2022 audit field observation at a contract facility in Philippines to confirm that assessors implement the L2 Brands audit protocol.	●
Responsible Retrenchment (5.4a, b)	L2 Brands’ Responsible Retrenchment SOP outlines how the company approaches retrenchment at sourcing and owned facilities, in line with FLA responsible retrenchment guidance. The assessment tool evaluates factories’ procedures and practices to mitigate negative impacts on workers during retrenchment.	L2 Brands has submitted documentation of responsible retrenchment cases at owned facilities, in alignment with FLA standards, and guidance including severance payments allotted to workers. L2 Brands prioritizes retrenched workers for rehiring.	●

ACCREDITATION ASSESSMENT SUMMARY



PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS

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

PRODUCTION PRINCIPLE: Company Member provides workers 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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Ensuring Functioning Grievance Mechanisms (6.1a, b, c, d)	L2 Brands' audit tool and monitoring program include requirements to assess the existence and effectiveness of grievance mechanisms at both contract and owned facilities. This includes requirements that factories provide at least one confidential reporting channel and that workers will not be penalized for using grievance mechanisms.	FLA verified that these systems are in place during the audit field observation, document review, and headquarters assessment for contract and owned facilities.	●
Confidential Reporting Channel Direct to the Company (6.2a)	L2 Brands implements a confidential hotline reporting channel for all owned and contracted facilities, connecting workers directly to the company's headquarters. Grievances are handled in workers' local languages, and the channel allows for confidential and anonymous communication with the reporter.	Following an FLA SCI assessment finding that a confidential reporting channel was not present at a facility, in 2023, L2 Brands implemented a confidential hotline reporting channel in all sourcing locations. Through document review, FLA verified that workers at owned facilities use the channel to report grievances.	●
Training on Grievance Mechanisms (6.3a, b)	L2 Brands' audit tool and assessor manual include instructions to evaluate that grievance mechanism trainings are conducted at contract and owned facilities; they also evaluate the effectiveness of these trainings for workers, managers, and supervisors.	FLA's audit field observation and document review verified that trainings on grievance mechanisms are checked during audits. All employees at owned facilities receive training on the code of conduct, which includes learning how to use all grievance mechanisms at the facility.	●

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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Collection of Facility Data (7.1a)	L2 Brands uses a supplier data management system to track facility information, audit results, and remediation, and analyze human rights risks within its supply chain.	FLA verified information tracked across the supplier data management system and L2 Brands' internal compliance tracking file. The director of CSR utilizes the data to inform audit planning.	●
Analyzing Social Compliance Trends (7.2a, b, c)	Using its supplier data management system, L2 Brands determines risk based on its leverage, country factors, and audit results. The CSR team uses this data to present trends, inform leadership of resource allocation needs for the CSR program, and manage risk in high-volume, high-risk sourcing and production countries.	FLA verified that staff share visualized social compliance trends and audit results with senior leadership. The product development team uses the supplier data management system's risk analysis when initially reviewing new sourcing partners. The director of CSR reviews country risk from the platform, as well as external resources, to determine L2 Brands' risk in new sourcing countries.	●

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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
Remediation Procedures (8.1a, b, c)	L2 Brands' Monitoring, Remediation and Supplier Performance SOP outlines the company's requirements for suppliers to remediate non-compliances and provide updates accordingly. The SOP details how the CSR team tracks remediation updates through evidence collection, and communicates and collaborates with suppliers through the remediation process.	FLA verified that L2 Brands actively collaborates with suppliers during the remediation of audit findings and CAP management. L2 Brands tracks remediation progress and corresponding updates across its supplier data management system for consistency.	●
Root Cause Analysis (8.2a, b)	L2 Brands commits to collaborative root cause analysis as outlined in its Monitoring, Remediation and Supplier Performance SOP. The CSR team communicates with and trains suppliers on effective root cause analysis, including how to involve unions/worker representatives in the remediation process.	L2 Brands provides guidance on remediation to suppliers following an audit, including instructions on how to conduct root cause analysis. FLA recommends further collaboration, training, and encouragement by L2 Brands to suppliers to conduct in-depth root cause analysis more consistently.	●
Ensuring Effective Remediation (8.3a, b)	L2 Brands' CSR team tracks remediation progress manually. The director of CSR works collaboratively with suppliers to achieve full remediation and collect suppliers' evidence. L2 Brands' remediation SOP includes zero-tolerance criteria; an escalation process; and a summary of how audit scores, CAP management, supplier responsiveness, and repeat violations influence the supplier scorecard system.	L2 Brands' supplier scorecard system reviews supplier performance (including effective remediation and CAP management) and outlines the company's relationship with each supplier – this helps inform future business. FLA verified that the CSR team actively collaborates with suppliers on remediation. For example, the director of CSR has worked with suppliers to enhance management systems to improve ongoing remediation.	●

ACCREDITATION ASSESSMENT SUMMARY



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: 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	L2 BRANDS SYSTEM	L2 BRANDS PERFORMANCE	L2 BRANDS PROGRESS
CSO Engagement Strategy and Mapping (9.1a, b)	L2 Brands' Civil Society Engagement and Strategic Plan references high risk and/or high production countries where the company prioritizes civil society outreach. The plan lays out L2 Brands' system for responding to civil society inquiries, engaging with onsite unions at its owned facility in El Salvador, and measuring the impact of civil society engagement to address potential human rights impacts.	L2 Brands has mapped civil society groups, government agencies, trade unions, nonprofit organizations, and local experts. Each of these groups offer insights into supply chain concerns, as identified through the supplier data management system's risk evaluator. The company tracks collaboration and contact with these groups.	●
Engagement on Local Labor Issues (9.2a, b)	<i>This KPI includes only performance metrics.</i>	L2 Brands has engaged with civil society to understand human rights and workplace standards issues at its owned facilities in El Salvador, and at contract facilities in Pakistan, Bangladesh, and Vietnam.	●
Engagement on Training, Worker Communication Channels, and Remediation (9.3a)	<i>This KPI includes only performance metrics.</i>	Following an investigation by the Workers Rights Consortium, L2 Brands has sought support from a local expert to conduct recurring annual harassment and abuse trainings for workers to strengthen their understanding of workplace harassment, available grievance mechanisms, and how to engage with worker representatives. Beyond accreditation, FLA will verify L2 Brands' collaboration with additional civil society groups in contract factory countries, and how it has contributed to improved working conditions.	●
Union and Worker Representative Consultation (9.4a, b)	L2 Brands' facility assessment procedures and internal policies require assessors to include union or worker representatives in the opening meeting, closing meeting, and remediation processes at both owned and contract factories. Where union representatives are not present, including at L2 Brands' Hanover facility, assessors and management include the safety committee – which includes worker representatives.	The CSR team collects information on the presence of unions, worker representatives, and collective bargaining agreements in all factories through its ongoing facility assessment process and risk-assessment platform. FLA collected documentation verifying that L2 Brands works with worker representative (called sectionals) leadership in El Salvador to collect feedback monthly.	●

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. 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.

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:

L2 Brands publicly commits to responsible business practices through a statement from CEO Connor Knutson on its website. Internally, the executive vice president (EVP) partnerships, licensing & CSR leads L2 Brands' social compliance efforts and regularly engages with the CEO, senior leadership, and the board of directors on this work, including as part of the quarterly CSR committee. The company embeds its social compliance and responsible purchasing priorities in brand-level strategic goals and team objectives, such as the 2025 CSR goals to organize compliance data, strengthen cross-functional alignment on social compliance and responsible purchasing practices, and finalize the Fair Compensation Blueprint. The board of directors receives quarterly updates on social compliance related goals, and ongoing engagement with senior leadership has led to investments in a comprehensive supplier and risk data management system to strengthen due diligence with licensing partnerships and new sourcing countries. Staff also inform senior leadership on facility performance and emerging audit or external issues. In addition to board reporting, L2 Brands reports annually to its private equity firm on progress toward responsible purchasing and workplace standards goals.

L2 Brands' [Workplace Code of Conduct, compliance benchmarks, and commitments to engage with civil society](#) are published on its website, along with the company's commitment to fair compensation and its continuous work with FLA to make progress on living wage. In addition, L2 Brands' leadership is responsive to the needs of the CSR team, and the CSR department budget allocates sufficient resources to the program.

Strengths:

- Job descriptions (including those of the SVP of global planning & logistics, the VP of apparel product development, the president of the El Salvador facility, and additional senior leadership) all include reference to collaboration with the CSR team to uphold workplace standards, evaluate impacts to suppliers' fair compensation, and ensure business practices do not lead to negative impacts on workers.

Recommendations for Continuous Improvement:

- L2 Brands' 2026 strategic goals include steps to institute formalized performance reviews and accountability mechanisms that promote opportunities for feedback and communication across teams within L2 Brands. Beyond accreditation, FLA will verify the implementation of this goal and evaluate how leadership and other internal teams are held accountable to responsible purchasing and production practices.
- Beyond accreditation, L2 Brands should formalize and implement plans for a regular public reporting system on its CSR strategy and objectives, including workplace standards progress, as well as civil society engagement goals and activities.

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:

L2 Brands' Workplace Code of Conduct aligns with FLA's Fair Labor Code and is operationalized through compliance benchmarks that clearly outline the code's standards.



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 facility 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 (Sourcing): 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:

During L2 Brands' accreditation process, FLA worked with the company to develop a Responsible Sourcing and Purchasing Practices Policy (RPP policy). Updated and endorsed by top management in August 2025, the policy applies to all units of the company, including planning, sourcing, costing, and leadership associates. The RPP policy was first approved by the company's leadership in December 2021, and updated in 2025 to reflect the merger with Ouray and Locale brands and expansion of the planning and production teams and processes.

The RPP policy highlights how roles across sales, design, costing, forecasting, purchasing, planning, and sourcing can make decisions to mitigate potential negative impacts on workers and contribute to positive workplace environments. This policy clearly lays out purchasing commitments and staff responsibilities, as well as planning and forecasting activities, lead time, financial terms, costing, and responsible exit from factories. During the headquarters assessment, FLA interviewed sourcing and production staff to confirm that they uphold the RPP policy in their day-to-day roles. Internal

teams across product development, global planning and logistics, and owned production confirmed that the updated policy reinforced lead time development and open dialogue with suppliers and owned factories to help staff understand realistic timelines.

By June 2025, L2 Brands finalized its Fair Compensation Blueprint based on FLA's recommendations, which reflects learnings from data collection from 2021-2025 and defines specific teams involved in data collection and living wage implementation. L2 Brands' commitment to fair compensation is posted publicly [on its website](#).

Strengths:

- L2 Brands regularly integrates its CSR staff into production and sourcing team meetings. These team members have direct access to the senior leadership team, including the CEO, COO, EVP product development, SVP global planning & logistics, and director of apparel and product development.
- L2 Brands' leadership is committed to its RPP policy and fair compensation policy, as illustrated through their reviews and final approvals of these documents. The leadership team's involvement has informed the company's risk- and leverage-based approach to fair compensation.

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.

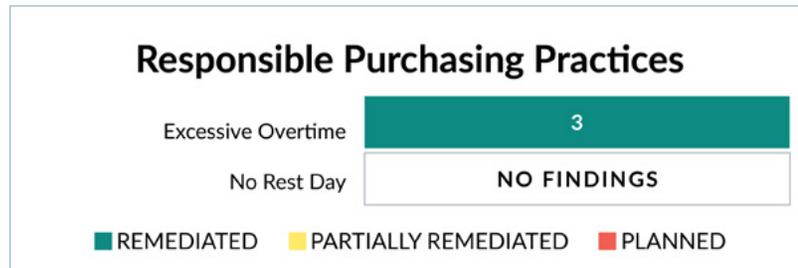
BENCHMARK 2.2 (Production): Company Member holds relevant staff accountable for the implementation of planning and sales practices that help avoid negative impacts on workers and working conditions.

Company Actions and FLA Verification:

Planning and calendar adherence are core to L2 Brands' sourcing and production processes, and have been central to the investment and updates made to the supply chain program in the past year, including at owned facilities. L2 Brands' director of apparel product development manages calendar development, and plays an active role in holding internal teams accountable for meeting deadlines through weekly product development meetings. Where issues arise in meeting agreed upon timelines, L2 Brands shifts deadlines accordingly to ensure factories are not forcing excessive overtime and working hours. During the L2 Brands' headquarters assessment, FLA verified that teams across planning, product development, owned production, and sourcing executed accountability mechanisms, including holding weekly dialogue on production deadlines and involving leadership where delays occurred.

L2 Brands holds staff accountable through company-wide goals set at the beginning of the year. Senior leadership reports quarterly to the board of directors and annually to the private equity group on goal progress. In 2025, the company developed goals around improving on-time shipping and

fill rate, with a focus on enhanced supplier dialogue and improved cross-functional planning. In 2025, L2 Brands hired two senior leaders, the chief operating officer and SVP of global planning & logistics, to strengthen forecasting and production planning. The new hires complemented L2 Brands' investment in a third-party data platform in 2024 that allows the company to update and share supplier forecasts monthly, review sales data, and improve overall forecasting accuracy. Overall, these investments have improved relationships with suppliers and improved L2 Brands' data collection around long term planning.



FLA reviewed examples of L2 Brands' successful remediation of responsible purchasing non-compliances. The accompanying chart provides examples from FLA's SCI assessments. During a 2021 SCI assessment at a contract facility in Guatemala, FLA found four cases of workers' hours exceeding the 60 working hours limit per week, with an average of 65 hours worked across one week. L2 Brands worked with human resources staff at the facility to develop internal policy updates and a comprehensive training plan for supervisors and workers on the policy updates.

These actions enhanced workers' awareness of their overtime limit, that they cannot

work additional hours, and that the department manager must sign off on any overtime. As part of this remediation, L2 Brands provided FLA proof of the updated policies and subsequent trainings.

L2 Brands uses FLA's Fair Compensation Dashboard to collect wage data, including 18 data sets across seven countries collected between 2019-2024. L2 Brands maintains transparent communication with suppliers regarding costing structures and bases its commercial pricing on the expectation that compliance with applicable minimum wage requirements is reflected in supplier costings. L2 Brands further verifies this through fair compensation data collection and assessments. For example, L2 Brands identified a compensation issue during a 2025 assessment in which a supplier misclassified cut and sew operators as unskilled workers, rather than skilled workers. The CEO, COO, planning team, and CSR team led discussions with the supplier to determine remediation and escalation.

Strengths:

- L2 Brands has illustrated a commitment to better forecasting and improved calendar adherence through hiring additional staff across the global planning & logistics team and investing in automated forecasting technologies. This has improved overall on-time delivery performance for both owned and contract factories.
- L2 Brands maintains long-standing relationships with suppliers, enabling transparent dialogue on lead times, capacity, business challenges, and feedback for relevant teams.

Recommendations for Continuous Improvement

- As a continuous improvement, L2 Brands should plan to continue to collect and verify additional fair compensation wage data. As L2 Brands continues to evaluate compensation gaps, it should pilot interventions to improve wages, plan for public reporting on living wage progress, and continue to scale wage data collection.
- Beyond accreditation, L2 Brands should plan to hold staff members with RPP responsibilities accountable through performance reviews, data tracking, or KPI development. FLA recommends that this includes either attributing specific goals to internal teams to improve on processes, or tracking how data on planning, forecasting, and payment are improved over time.

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 facility 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 facility 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:

L2 Brands executes consistent dialogue, including dialogue with contract and owned facility management and across key functions, to inform purchasing and production practices. L2 Brands holds weekly product development meetings where leadership, merchandising, design, and planning team members share updates on issues related to purchasing practices, such as lead times for upcoming orders, order changes, and other topics relevant to the efficient execution of the internal policy. Leadership team members for owned facilities are involved in these meetings to provide updates from owned sites. These same teams support weekly calls with suppliers to determine any necessary date changes in production, and maintain monthly forecasting calls with suppliers to determine balanced planning for annual production.

L2 Brands uses monthly meetings and a scorecard to discuss purchasing practices with suppliers. FLA verified examples of meeting agendas with suppliers that included discussion items like concerns about production or delivery timelines, facility capacity, fabric stock, accommodation for upcoming holidays, and additional support L2 Brands can provide. Through supplier scorecard dialogue, L2 Brands will continue to utilize the data collection and scoring process to set specific improvement goals with suppliers, and benchmark supplier feedback to target improvements for internal purchasing practices. L2 Brands reviews suppliers through a supplier summit every six months, where internal teams meet to discuss supplier

performance, capacity, and lead times. Monthly forecasting calls regularly include CSR staff, and supply chain leadership receives updates on audit report scores and remediation progress via email and through regular audit scorecard check-ins. L2 Brands categorizes compensation and hours of work non-compliances as critical findings, and leadership engages in remediation and follow-up discussions with suppliers to illustrate the seriousness of these issues.

L2 Brands maintains a comprehensive exit policy and procedure as part of the company's Responsible Sourcing and Purchasing Practices Policy. Where any exits occur, L2 Brands commits to a minimum six month notice prior to exiting a facility. Through document review and the headquarters assessment, FLA verified that L2 Brands approaches supplier exits responsibly with long-term planning, typically giving at least a six-month notice and considering impacts on workers.

Strengths:

- Cross-functional teams are in consistent (at least weekly) communication with suppliers and each other to make changes to product lead time if issues arise, move products between factories, change shipment dates as needed, and implement balanced production planning by adjusting allocations throughout the year to stabilize capacity.

Recommendations for Continuous Improvement:

- As a continuous improvement, FLA recommends that L2 Brands creates a formal process to discuss fair compensation and costing programs. This can include setting up time for regular conversation with staff (i.e. a fair compensation task force) to continue to hold L2 staff and suppliers accountable for raising wages and evaluating impact on wages, as outlined in L2 Brands' Fair Compensation Blueprint.
- L2 Brands must continue to implement legal practices around advanced severance payments and childcare facility requirements at its owned facility in EL Salvador, per [FLA guidance](#). As part of requirements beyond accreditation, L2 Brands must present a plan for providing workers with access to a childcare facility and ensuring that its owned factory complies with the law.

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:

L2 Brands' comprehensive scorecard aggregates suppliers' scores across logistics and planning, quality, product development, corporate social responsibility, and collaboration with the company. L2 Brands finalized the scorecard in 2025 for all strategic suppliers, which covers around 90% of L2 Brands' business. L2 Brands' staff discuss scorecards with suppliers during monthly forecasting meetings and update the scorecards bi-annually. Overall, a supplier's corporate social responsibility score is determined by its audit score, the presence of repeat violations within audits, and remediation of non-compliances. The director of CSR leads the process to update and discuss the sustainability score with other cross-functional teams, which accounts for 15% of the overall scorecard.

The scorecard and resulting dialogue support the long-standing relationships L2 Brands holds with suppliers. L2 Brands uses its scorecards to discuss areas of improvement across suppliers, owned factories, and the company at large. L2 Brands recognizes high performing contract suppliers through its incentives, outlined in the L2 Brands Supplier Incentive Program Policy and Procedure created in 2025. Beginning in 2026, the company will recognize top suppliers across headwear, apparel, and fabric mills as Supplier of the Year. Through its Responsible Sourcing and Purchasing Practices Policy and Procedure, L2 Brands outlines additional incentives for suppliers, including reducing audit cadence and prioritizing order allocation. At both owned factories, L2 Brands provides workers with recognition awards for their hard work and opportunities for skill development based on performance.

Strengths:

- L2 Brands evaluates the occurrence of repeat findings in audits using factories' corporate social responsibility score. Suppliers that have shown investment into root cause analysis and internal management systems changes receive higher scores to illustrate their commitment to remediation and sustainable improvement.
- Due to long-standing relationships with L2 Brands, suppliers are comfortable sharing feedback and requests for any needed changes. L2 Brands values relationships with suppliers and they stay in contact at least once per week.

Recommendations for Continuous Improvement:

- Beyond accreditation, L2 Brands should implement plans for performance reviews and skill development programs for all workers at its owned facility in El Salvador.



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 L2 Brands, 19 staff members from executive leadership, human resources, product development and quality control, planning and sourcing, and CSR have roles within the social compliance program and responsible purchasing practices, including at the owned facility in El Salvador. The CSR team has two full-time staff members dedicated to the social compliance program based in Plymouth Meeting, Pennsylvania. The EVP for partnerships, licensing and CSR and the director of CSR share responsibilities, including monitoring, remediation, and reporting to senior leadership. The director of CSR oversees the FLA program, and the EVP reports to executive leadership on FLA membership, the accreditation progress, and the social compliance program. Other staff have responsibilities in responsible purchasing practices and report to the CSR team on their work, including the director of inventory planning and sourcing and the director of product development and quality control. In El Salvador, the director of human resources ensures that factory management completes social compliance activities, including training, auditing and remediation, and provides reports to the director of CSR that are discussed with the EVP of partnerships, licensing and CSR. The CSR team ensures trainings on the code of conduct and grievance mechanisms are provided in the owned factory in Hanover. Staff job descriptions include supporting and creating policies that uphold the L2 Brands Workplace Code of Conduct.

Strengths:

- L2 Brands works with managerial staff at its owned facilities in Hanover and El Salvador on its social compliance program and responsible production practices, including remediating audit findings, hosting opportunities for worker feedback, and giving workers responsibility for safety measures in the facilities.

Recommendations for Continuous Improvement:

- Beyond accreditation, L2 Brands should implement performance indicators for all staff with CSR-related responsibilities to align with company-wide goals on responsible purchasing practices, such as on-time shipping, inventory planning, and lead time support; these indicators should be incorporated in annual performance reviews. This goal aligns with the recommendation provided in Benchmark 1.1.

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:

In collaboration with the human resources team, L2 Brands ensures the CSR team and other relevant staff supporting the social compliance program receive workplace standards training. The EVP of partnerships, licensing and CSR and the director of CSR conduct an annual training needs assessment to identify new, relevant training opportunities for CSR staff to enhance their knowledge of labor issues. In October 2025, the CSR team completed the Pennsylvania Safety Committee Training on occupational and production risk factors, such as local labor law, risk management and compliance, and forced labor. L2 Brands provided training on freedom of association and collective bargaining to managerial staff and the CSR team at its owned facility in El Salvador; the training was delivered by an external expert to help leadership better understand engagement with unions in El Salvador.

Strengths:

- Since joining in early 2025, the director of CSR received approximately 20 trainings on social compliance and related topics. These included FLA trainings on freedom of association, the Principles of Fair Labor and Responsible Sourcing and Production, civil society engagement, and numerous trainings on environmental sustainability, supply chain risk, extended producer responsibility (EPR) compliance and sustainability, and isotopic origin verification conducted by external organizations.

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 CSR team collaborates with the HR team in Hanover, Pennsylvania to coordinate workplace standards training for headquarters and regional staff, including the owned facility in El Salvador. During employee onboarding at the headquarters level, new staff receive mandatory workplace standards training covering core values, the code of conduct, company policies, and a facility tour. For remote staff, a virtual presentation with the same information is provided. The director of HR conducts orientation training for staff at the owned facility in El Salvador, while the HR team provides training on the management system and L2 Brands' Workplace Code of Conduct in small group settings to all workers. At the owned facility in El Salvador, workers can submit ideas through suggestion boxes for additional trainings offered throughout the year, and staff conduct connection lunches with workers, as another form of communication to gather feedback and determine possible future training needs.

L2 Brands tracks social compliance training topics in an Excel spreadsheet, including the subject matter, format of training, number of employees in attendance, and if there is an annual refresher requirement. The director of CSR and HR team update this spreadsheet on a regular basis.

Strengths:

- The director of CSR conducted numerous trainings on the code of conduct at the Hanover and Plymouth Meeting facilities over several days in April 2025, ensuring all workers and headquarters staff were included across various shifts. The director of HR conducts the same training each year at the owned facility in El Salvador.
- Head office staff have completed FLA's e-Learning training on supervisor skills, such as handling feedback, managing conflict, and preventing bullying and harassment.

Recommendations for Continuous Improvement:

- FLA observed that the CSR and HR teams conduct numerous trainings in-person but have not yet determined a formalized approach for conducting training for all employees at headquarters and owned facilities. Beyond accreditation, FLA recommends L2 Brands adopt an online learning management system to provide refresher training for some topics to staff at headquarters, including workplace standards training. Staff and workers at owned facilities can access the recorded trainings and HR can track their attendance, completion, and progress. When staff are absent from training, L2 Brands should ensure they complete this training promptly.
- Currently, the director of CSR manually collects responses for pre-/post-training surveys, meaning it takes extra time to process responses. FLA recommends creating a system to collect and manage post-training feedback digitally to ensure anonymity and ensure analysis of feedback.

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:

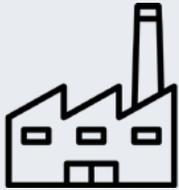
L2 Brands conducts RPP training at its headquarters, covering FLA's Principles of Responsible Sourcing and Production, L2 Brands' Responsible Sourcing and Purchasing Practices Policy, and engagement with suppliers. The director of CSR and the EVP of partnerships, licensing, and CSR host this training live online, and staff complete pre- and post-training surveys. Through steady investment into RPP training over the past 2-3 years, L2 Brands has supported internal teams in understanding the importance of and implementing the supplier scorecard process. The trainings have also increased staff awareness of RPP practices overall, including how sourcing decisions that result in factory exit and retrenchment impact workers. In August 2025, the director of CSR organized an online training on RPP for all managerial staff and senior leadership at the Hanover and El Salvador owned facilities, with plans for this to occur on an annual basis.

Strengths:

- L2 Brands integrates sales representatives into the forecasting process to strengthen RPP performance. Their direct involvement in end-to-end production gives the company a clear understanding of the critical role that accurate forecasting and strict deadline adherence play in overall operational success.

Recommendations for Continuous Improvement:

- As part of continuous improvement, FLA recommend that L2 Brands incorporates training on responsible exits into RPP training to ensure all responsible staff develop the knowledge and skills needed to assess how ramping down or exiting a supplier will affect that supplier. L2 Brands should plan to continue to train all agents/intermediaries on RPP.



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:

L2 Brands requires that all suppliers sign the Master Vendor Agreement & Compliance Manual, which commits them to upholding the L2 Brands Workplace Code of Conduct, grants access to their factories for internal audits and relevant third-parties, and requires collaboration with civil society and unions. L2 Brands deployed the updated Master Vendor Agreement to all suppliers in December 2025 and is collecting and tracking written acknowledgement through March 2026, which will be required as part of facility onboarding moving forward. Prior to the Master Vendor Agreement, workplace standards requirements were conveyed through L2 Brands' CSR Terms of Engagement and the Workplace Code of Conduct Acknowledgement Agreement, which was tracked internally by the CSR team. Suppliers are required to sign both the manual and the Terms of Engagement documents when they are onboarded and before any orders can be received.

Recommendations for Continuous Improvement

- For continuous improvement beyond accreditation, FLA will verify that L2 Brands continues to collect and track all updated Master Vendor Agreements for suppliers.

Conditioning Future Business**BENCHMARK 4.2** (Sourcing): Company conditions future business with suppliers upon continuous improvement of workplace conditions.**Company Actions and FLA Verification:**

L2 Brands' suppliers commit to continuous improvement through signing the Master Vendor Agreement & Compliance Manual. L2 Brands evaluates its ongoing sourcing relationships by reviewing each supplier's overall performance, adherence to the expectations outlined in the CSR Terms of Engagement and Master Vendor Agreement, and progress in addressing identified non-compliances. After completing an audit, the facility receives a color-coded compliance rating through a third-party audit scheme. A "Green" rating (score of 90%-100%) requires no follow-up. A "Yellow" (score of 71%-89%) necessitates a desktop review and a 12- to 18-month assessment cycle. An "Orange" (score of 51%-70%) calls for follow-ups with a 6-to 9-month assessment cycle. A "Red" (score below 50%) indicates one or more zero-tolerance findings that require immediate follow-up. The Monitoring, Remediation, and Supplier Performance Management SOP includes information on zero-tolerance findings, identifying specific labor violations that trigger a detailed escalation process for remediation or potential termination of the business relationship.

Once audits are complete, L2 Brands' director of CSR alerts senior leadership about the overall score and results. For supplier examples where the audit resulted in a "Red" rating, L2 Brands demonstrated appropriate follow-up action. This includes issuing an email to senior leadership alerting them of the score, comparing past audit results to identify recurring findings, and setting up follow-up calls with both leadership and the facility to take action on remediation. In follow-up calls with the facility, L2 Brands' COO discusses the severity of the findings. L2 Brands incorporates all audit results into the overall audit scorecard, which the planning, product development, CSR, and quality teams began using in September 2025. During these reviews, L2 Brands highlights and discusses the audit and remediation results with other cross-functional teams. For more information on the overall scorecard, please refer to Principle 2.4.

Strengths:

- As part of internal escalation processes, L2 Brands supports suppliers during remediation through hosting capacity building trainings and working with civil society groups. The company includes its internal escalation procedure in the Monitoring, Remediation, and Supplier Performance Management SOP, along with multiple levels of escalation outlining clear steps based on the supplier's findings, response, and remediation progress.
- For external audits, the CSR team uses a supplier data and risk management system that produces an audit score against L2 Brands' code elements to assess the supplier's overall audit performance. This score is then included in the supplier scorecard as part of their audit and sustainability score.

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:

L2 Brands translates its code of conduct into all local languages used by workers, including migrant workers, at owned and contracted factories. In 2025, L2 Brands shared updated code of conduct documents with all owned and sourcing facilities, requiring evidence that each facility posted it publicly. The director of CSR provides training during supplier onboarding on the code of conduct, and requires new suppliers to complete the Workplace Code of Conduct Acknowledgement Agreement. During facility evaluations, L2 Brands requires assessors to verify that the code of conduct is displayed in the appropriate languages. The audit tool includes questions related to the languages spoken at factories along with questions regarding migrant workers and their country of origin. During audit field observations at a contract facility in the Philippines and an owned facility in El Salvador, FLA verified that the code of conduct was permanently and prominently posted in both sourcing and owned factories.

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:

L2 Brands evaluates effective workplace standards training for workers, managers, and supervisors through its audit tool. L2 Brands’ human resources and CSR teams at both owned facilities plan an annual refresher training on workplace standards for all workers, managers, and supervisors. The director of CSR conducts trainings for workers at the Hanover facility and regional HR staff conduct trainings at the El Salvador owned facility. The trainings include an overview of L2 Brands’ code of conduct and social compliance program. They also include pre- and post-training quizzes and surveys, with questions that test participants’ understanding of training topics and provide opportunities for feedback. The director of CSR aggregates this data to determine training needs based on staff awareness of the code of conduct, grievance mechanisms, and individual code elements.

L2 Brands provides training to contract suppliers through the FLA e-Learning platform, which includes trainings across all code elements and management functions. The director of CSR works closely with newly onboarded suppliers to train them on workplace standards and the code of

conduct. Beyond accreditation, L2 Brands will develop plans to train and refresh contract suppliers on code of conduct and compliance expectations. The director of CSR provides newly onboarded suppliers with an orientation on expectations outlined in the Master Vendor Agreement & Compliance Manual, including their commitment to the Workplace Code of Conduct and compliance expectations.

L2 Brands shows a commitment to continuous improvement at all owned factories by ensuring the highest standards of workplace practices are upheld by human resources staff. L2 Brands' U.S.-based CSR staff work closely with the human resources team at the owned facility in El Salvador. During the HQ Assessment, FLA verified that the El Salvador facility leadership team is involved in coordinating FLA assessments, communicating internally on remediation, and overseeing all audit activities – including opening and closing meetings. L2 Brands' CSR team and management at the El Salvador owned facility meet quarterly with unions to discuss remediation progress and feedback. Both factories utilize safety committees to involve workers in the remediation process and conduct monthly walkthroughs of the facility with the safety committees. In addition, the owned facility in El Salvador hired a human resources director in February 2025 to strengthen its management of workplace standards.

Where any zero-tolerance issues are found at an owned facility, L2 Brands follows the same processes to alert and involve leadership as outlined in Principle 4.2 (Sourcing). Additionally, L2 Brands' owned facilities receive the same scoring and escalation policy as outlined in Principle 4.2.



During a 2024 SCI assessment in the Philippines, auditors found that orientation training for new workers only covered health and safety and did not address employment functions or the code of conduct. In response, L2 Brands worked with the facility to establish a new training module, a checklist for new hire orientation, and an annual refresher training. FLA has verified that the facility has added this checklist and content to the orientation training.

Strengths:

- L2 Brands' CSR team and human resources staff at owned factories coordinate to deliver code of conduct trainings, helping the company manage any disruptions to production schedules. Trainings are planned around regular shifts and completed across two full workdays to support active participation and reduce stress on workers, supervisors, and managers.
- L2 Brands enrolls eight contract suppliers in FLA's facility e-Learning modules, including modules on Fair Labor Code elements, forced labor, recruitment, health and safety, and worker engagement.

Recommendations for Continuous Improvement:

- As a continuous improvement, FLA recommends that L2 Brands develops a plan to provide a refresher training for suppliers on its workplace standards program, monitoring expectations, and other important information related to social compliance. FLA recommends that this training occurs at least once every three years and includes a survey and/or quiz to receive feedback from suppliers on the training and test their knowledge of L2 Brands' requirements.



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 a company's 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:

L2 Brands follows steps outlined in its Pre-Sourcing & New Facility Qualification SOP before working with any new owned, acquired, or contract manufacturing facilities. Through the supplier data management system, the director of CSR will work with product development to identify risks associated with a proposed new facility, including country risk indicators, news articles, or known sanctions, as well as findings from previous audits indicating labor rights issues. After conducting initial due diligence, the CSR department will collect the most recent, mutually recognized full scope audit report and CAP, which must meet L2 Brands' Workplace Code of Conduct elements and scoring criteria. Suppliers must receive a "Yellow" or "Green" rating, referenced in Principle 4.2, to be approved for production. If factories have received an "Orange" or "Red" score from a previous trusted audit, or if they cannot provide an accepted audit, L2 Brands commissions an approved full-scope third-party audit. If the facility does not receive a higher score or pass audit expectations, L2 Brands does not move forward with production. For any remaining suppliers who did not have an updated satisfactory audit, L2 Brands commissioned a shorter self-assessment questionnaire to understand the facility's conditions.

FLA verified examples of full-scope audits commissioned by third-party auditors. Where L2 Brands identifies significant country risk for a supplier, it does not move forward with a supplier relationship. FLA reviewed an example for a licensee facility where the supplier scored low on the mutually recognized audit. In response, L2 Brands issued a full-scope audit alongside extra support on the audit's CAP from a third party. As general practice, senior leadership reviews all audit results to inform production decisions.

Strengths:

- CSR staff are well integrated into pre-sourcing discussions and processes. For instance, product development staff actively collaborate with the CSR team to understand country- and facility-level risks as part of new sourcing opportunities.

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:

L2 Brands audits all owned and Tier One contract facilities using frameworks that are aligned with FLA standards, and a trusted third-party audit firm conducts all audits. Where applicable, L2 Brands accepts alternative audit reports that are aligned with its code of conduct, includes the audit results in its third-party risk platform, and creates an equivalency score based on the facility’s audit scorecard criteria. FLA verified through document review that L2 Brands conducts annual monitoring at its owned facility in El Salvador, and beginning in 2026, will conduct annual audits at its facility in Hanover, Pennsylvania. L2 Brands has submitted audit schedules, internal communications, and audit reports to FLA. FLA verified that the company conducts a commissioned audit aligned with FLA audit standards at least once every three years at sourcing factories and accepts external audits when not commissioning an audit. L2 Brands determines audit cadence based on a supplier’s audit score, as discussed in Benchmark 4.2. Throughout accreditation, L2 Brands worked closely with its third-party auditor to align the assessor’s tool and methodology with the FLA Workplace Code of Conduct and Compliance Benchmarks. L2 Brands verified that its third-party assessments all align with FLA standards.

Based on the number and severity of non-compliances found during assessments, the facility receives a score of “Green,” “Yellow,” “Orange,” or “Red.” Each score receives a different priority level for follow-up visits or audits. For example, factories that receive an “Orange” score will receive a follow-up visit and be placed on a six- to nine-month audit cycle for assessment. Through its online risk platform, L2 Brands can also review additional facility risk scores relating to civil society engagement, products, the supply chain, workers, etc. The company combines this information with the facility’s audit score to determine its risk.

Recommendations for Continuous Improvement:

- In 2026, L2 Brands will begin to conduct annual assessments at its owned facility in Hanover, Pennsylvania. FLA recommends that annual assessments occur for all owned factories.

Audit Components and Quality

BENCHMARK 5.3 (Sourcing/Production): 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:

L2 Brands' monitoring program is outlined in its Monitoring, Remediation, and Supplier Performance Management SOP; this provides instructions for the social and labor audit process conducted by third-party assessors for both owned and contract factories. Third-party assessors use this SOP, alongside the third-party audit tool and field instructions, to carry out an FLA-aligned workplace standards audit. The third-party assessor manual provides comprehensive guidance for assessors on requirements regarding opening and closing meetings, interviewing workers and management, consulting with unions or worker representative structures, reviewing collective bargaining terms, reviewing documents, completing visual inspections, and ensuring occupational safety and health standards are met. Through audit field observations, FLA verified that the audit tool checks that workers, managers, and supervisors are aware of any collective bargaining agreements (CBAs). In addition, the audit tool collects detailed information on union, CBA, or worker committee presence in a facility. Where a CBA is in place, assessors are directed to review it and apply its standards to the assessment.

Throughout L2 Brands' accreditation journey, the applicable documents have undergone multiple revisions to assess alignment with the Fair Labor Code and FLA principles. The assessor guidance includes detailed questions for conducting worker interviews, verifying workplace standards, and validating grievance mechanism training, alongside questions verifying workers' understanding of both trainings. FLA also conducted two audit field observations, shadowing audits at the owned facility in El Salvador and at a sourcing facility in the Philippines. These observations allowed FLA to confirm that the assessor manual and audit tool are applied in practice and to deliver recommendations around L2 Brands' facility assessments.

Strengths:

- L2 Brands' audit methodology fully evaluates a facility's implementation of workplace standards trainings and its effectiveness, grievance mechanism trainings and grievance effectiveness, and responsible retrenchment practices.

Responsible Retrenchment

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

Company Actions and FLA Verification:

In line with audit methodology, assessors examine both owned and contract factories' policies and procedures for responsible retrenchment and assess that they align with both L2 Brands' code requirements and local law. Assessors also use document review, worker interviews, and management interviews to determine if retrenchment has recently taken place at the facility. If it has, the assessment examines if the facility followed its procedures and legal requirements; if retrenchment was done in a fair, transparent, and equitable manner; and if workers received proper severance payments.

L2 Brands utilizes a comprehensive responsible retrenchment and responsible exit procedure for owned and contract factories, and reviews and updates it annually. For owned factories, the procedure includes policies on consulting with unions, adhering to collective bargaining agreements, ensuring proper payment and benefits, committing to re-employment for retrenched workers, determining selection criteria, and providing access to a grievance mechanism. Through document review, FLA verified examples where retrenchment has occurred at owned factories, illustrating how L2 Brands has upheld responsible retrenchment and commitment to re-employment.

Strengths:

- The CSR team and executive leadership are working closely with human resources staff at both owned facilities on responsible retrenchment. When retrenchment occurs, all teams are notified and L2 Brands prioritizes cross-departmental discussion to uphold proper procedures and provide workers with legally owed benefits.

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 facility 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

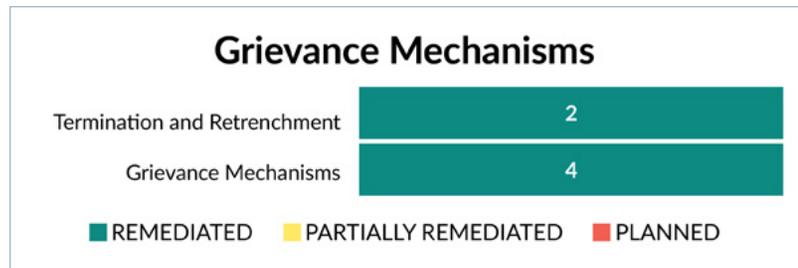
BENCHMARK 6.1 (Sourcing): Company Member ensures there are functioning grievance mechanisms at facilities.

BENCHMARK 6.1 (Production): Company Affiliate ensures there are functioning grievance mechanisms at owned facilities.

Company Actions and FLA Verification:

L2 Brands' monitoring program ensures workers have access to grievance mechanisms for both contract and owned factories. For contract facilities, L2 Brands' audit tool and assessor manual include questions on the existence and effectiveness of multiple grievance mechanisms. Specifically, contract facilities must provide access to at least one confidential reporting channel and one union/worker representative structure, their grievance mechanisms must lack a penalty for workers, and management must track grievances using an internal tracking system. When deploying a grievance mechanism across owned and contract factories, L2 Brands sent suppliers code of conduct posters that feature anonymous grievance channel instructions; the factories display these posters in high-traffic areas and include them in grievance mechanism trainings. The posters are also provided in workers' local languages.

For owned factories, L2 Brands uses the same audit tool and assessor manual to check for grievance mechanisms and their effectiveness. The owned facilities in Hanover and El Salvador use a variety of grievance mechanisms, including official memorandums, speaking forums, worker-represented safety committees, an open-door policy, a confidential reporting hotline, an email address handled by the head office, a dialogue table with unions (sectional), and connection lunches.



A 2019 SCI at an owned facility found a lack of effective anonymous grievance mechanisms, as only phone numbers were available to workers. As a result of this SCI assessment, L2 Brands launched its anonymous confidential hotline channel and established numerous suggestion boxes across owned facilities. L2 Brands worked with the human resources team at the owned facility to develop a grievance mechanism policy and established a committee to review grievances from the suggestion box on a monthly basis. The facility posted responses on notice boards for

L2 Brands employees within the factory premises and shared them via email with supervisors and managers for distribution during regular meetings. A 2024 SCI at a contract facility found that it did not have a non-retaliation policy, a grievance tracker, or a grievance suggestion box near the men’s restroom. In response, the facility remediated each of these issues in June 2025 with the support of L2 Brands.

Strengths:

- L2 Brands conducts a worker sentiment survey during both owned and sourcing audits that includes questions about whether or not workers trust the grievance channels and are comfortable sharing suggestions or complaints at work. Results from these surveys inform further measures to increase workers’ trust and access to factory-level grievance channels.
- For owned facilities, L2 Brands handles grievances within 24 hours of receipt and conducts formal investigation procedures to ensure non-retaliation – including 30- and 90-day follow-ups.
- At its owned facility in El Salvador, L2 Brands conducts monthly employee committee meetings (on the last Thursday of each month) with 33 employee representatives to review and address suggestion box findings.

Recommendations for Continuous Improvement:

- As a continuous improvement, FLA recommends that the relevant managers at its owned facilities in Hanover and El Salvador have metrics within their performance reviews on how they resolve workers’ grievances. These metrics should be used to determine how L2 Brands evaluates and improves managers’ capacity for grievance redressal.
- L2 Brands staff actively participate in resolving complaints at its owned facilities in Hanover and El Salvador. They open the suggestion boxes and review each grievance with workers and/or the safety committee. FLA verified that the worker committee in El Salvador has a union member present. As continuous improvement, FLA recommends that a union or worker representative be present at both the El Salvador and Hanover owned facilities when staff open the suggestion boxes.

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:

When a worker submits a grievance through the confidential hotline, L2 Brands follows its process for handling grievances. This involves investigation, communication with the reporter through the confidential hotline platform, and appropriate remediation. L2 Brands has not received any grievances from contract suppliers yet through the confidential hotline; grievances have only come from owned facilities. The director of CSR asks the confidential hotline to keep a native language report along with a translated English version for continuity. The director of CSR requests both reports (original and translated) and shares them with the facility. L2 Brands then works with facility management/HR staff on the investigation, supporting them as needed and tracking the collection of information. Communication flows through the director of CSR back to the reporter via the platform.

A previous SCI finding flagged issues with workers' access to confidential reporting channels, alongside the need to provide more accessibility for understanding grievances made through different native languages. In response, L2 Brands deployed its confidential hotline channel to all sourcing facilities in 2025, expanding beyond their owned facilities. Workers can access the confidential hotline through a QR code and email address printed on the code of conduct posters at each facility. The director of CSR requested that suppliers print, frame, or laminate the code of conduct; hang them in high-traffic areas of the facility; and send photos of the posters in the facility along with records of grievance mechanism trainings.

To address grievances at owned facilities, the HR team reviews information shared through the report, contacts the reporter if more information is needed (reporters can communicate anonymously with a PIN), conducts interviews, and investigates the issue. For example, after a code of conduct training in April 2025 at Hanover, two reports came in about supervisor misconduct. After an investigation, the HR team arranged coaching for that this supervisor and followed up at 60 and 90 days to ensure improvement.

Strengths:

- L2 Brands has multiple grievance channels available at owned factories including suggestion boxes, open-door policies, confidential hotlines, and safety committee/union/sectional engagement. Notable features include official memorandums, bulletin boards, roundtables with unions, and connection lunches. At Hanover, HR checks four suggestion boxes and provides all employees with updates on their responses on a monthly basis; they also have a confidential hotline and an open-door policy with direct office access. The owned facility in El Salvador has multiple grievance channels, including suggestion boxes in two facilities, official memorandums, speaking forums, a worker committee, an open-door policy, a confidential hotline, an email handled by a third-party provider and communications via L2 Brands HQ, a dialogue table with unions (sectional), and connection lunches.

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:

When L2 Brands shares its code of conduct posters with owned and contract suppliers, it requests that they provide training for workers, supervisors, and managers on how to use the QR code to access the grievance mechanism. L2 Brands' audit assessments and audit tool verify that suppliers provided this training, including questions that test workers' knowledge.

For owned facilities, L2 Brands incorporates grievance mechanism awareness into its code of conduct training for all employees. FLA observed a January 2023 training for workers on harassment and abuse in the El Salvador facility. A contracted external human rights expert conducts this training annually. The trainer emphasizes L2 Brands' grievance mechanisms, complaints process, investigation process, and workers' rights to a confidential and fair grievance redressal process.

When workers approach managers with grievances, managers collaborate with the HR team in Hanover for guidance. Grievances are elevated to HR, removing the manager from the equation until resolution. HR provides ongoing daily support to ensure consistent and fair policy enforcement. Managers are involved in grievance mechanism training and receive updates when policies change. L2 Brands provides pre- and post-training surveys to participants following code of conduct trainings. Post-training surveys revealed that some workers were unaware that suggestion boxes were being checked regularly. After a training in April 2025, workers increased their use of the confidential hotline and submitted a number of reports, indicating improved awareness of how to use the grievance mechanism.



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.

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:

L2 Brands collects data on social compliance and workplace information through its supplier data management system. This system manages the tracking of comprehensive compliance data for all factories, including subcontractors. The system provides data analysis on country risk, site/supplier/facility performance, supply chain risk, transparency, wages, code of conduct adherence, and trend reports. It also collects responses from worker sentiment surveys on grievance mechanisms available at supplier and owned facilities. The director of CSR updates this system with facilities' historical audit data. L2 Brands plans to use this system as part of its remediation process in the future, furthering the integration of its social compliance program.

The CSR team also tracks facility information, including the addresses, contact information, historical audit data and remediation progress, previous labor disputes/incidents/accidents, and the presence of unions or collective bargaining agreements at Tier One facilities. L2 Brands has fully mapped its Tier One suppliers and continues to map its Tiers Two - Four supply chain, utilizing the supplier data management system to evaluate associated risks at each tier. The director of CSR verifies the accuracy of information in the supplier data management system against internal tracking on an ongoing basis.

Strengths:

- The supplier data management system consolidates social compliance data from multiple activities into a single platform to enhance automation, accuracy, and trend analysis.

Recommendations for Continuous Improvement:

- FLA recommends that L2 Brands continue expanding its supply chain mapping into deeper upstream tiers to enhance its human rights due diligence processes. This work can be supported through the supplier data management system, which L2 Brands leverages to collect risk information on factories and incorporate outside reports and sources into the overall risk assessment of a facility.

Analyzing Social Compliance Trends

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

Company Actions and FLA Verification:

Using data that L2 Brands staff have gathered and uploaded to its online supplier data management system, the company conducts analysis on social compliance trends based on country, product, industry risk, region, non-compliance type, production percentage, remediation progress, and internal audit score. The platform additionally provides scores on a country's risks in areas including civil society engagement, migrant workers, hours of work, and wages, allowing visibility into salient issues across sourcing and production countries. When searching for new sourcing partners in 2025, the director of CSR worked with the director of product development to share relevant country risks for potential suppliers. Other trends analyzed through the supplier data management system include worker turnover rates, the percentage of workers who are paid correctly, and workers' responses on their comfortability using grievance mechanisms.

Staff present audit trend analyses to leadership in quarterly CSR meetings and scorecard discussions. The CSR team utilizes the supplier data management system to inform follow-up audits and prioritization based on a supplier's audit score results and non-compliance risks. This information is shared with product development leadership, planning and logistics leadership, and the chief operating officer at the beginning of the year for audit planning.

Strengths:

- L2 Brands' country risk heat map is featured in its supplier data management system and provides a comprehensive analysis of the audit priorities and resource allocation needed to effectively mitigate negative impacts on workers in high-risk countries. The system creates a graph of suppliers' risk exposure against L2 Brands' risk management capabilities, segmenting those at highest risk in its supply chain using inherent risk indicators, audit results, and worker sentiment survey results.
- L2 Brands' supplier data management system maps audit scores against country risks, the company's leverage (spend), and risks identified in suppliers' most recent audit. L2 Brands uses this as part of its annual audit planning.

- The director of CSR maintains a spreadsheet tracking facility information that is updated in real-time for an extra layer of accuracy. This includes invoice status and where factories are in the auditing process.
- As a result of trend analysis evaluating forecast accuracy and on-time delivery, L2 Brands recently invested in advanced forecasting technology that enhances capacity planning and demand.

Recommendations for Continuous Improvement:

- Beyond accreditation, L2 Brands plans to implement the new system's corrective action plan (CAP) management feature when it becomes available. FLA recommends that all facilities and audits are included in the supplier data management and CAP management systems as they are further implemented across L2 Brands' supply chain to automate CAP tracking.
- FLA recommends L2 Brands use risk analysis to further inform trainings for suppliers or RPP staff, investment into responsible purchasing practices tools and updates, and engagement with civil society in high-risk countries. FLA also recommends that information staff share in quarterly CSR meetings expands to include the additional risk mapping featured in the supplier data management system.



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:

L2 Brands' Monitoring, Remediation and Supplier Performance SOP details the policies and procedures for monitoring and remediation; these policies are aligned with L2 Brands' Workplace Code of Conduct, Master Vendor Agreement & Compliance Manual, terms of engagement, social compliance requirements, and all applicable legal obligations. The SOP also includes supplier reporting requirements, the audit program and monitoring cadence, zero-tolerance issues and resulting actions, CAP management, and remediation and escalation procedures. Regarding scoring on audits, L2 Brands approves "A" and "B" scores; approves "C" scores with conditions; and does not approve "D" scores, which require follow-up audits within 1-3 months. Zero-tolerance issues are detailed within the SOP and the company provides all responsible parties with a detailed remediation timeline. L2 Brands communicates the procedures to suppliers by email post-audit with a PowerPoint explaining audit remediation and CAP development, including root cause analysis.

Worker engagement is also included in the SOP, providing the opportunity for L2 Brands and suppliers to include worker/safety committees, unions, or NGOs in remediation. The owned facility in El Salvador holds meetings between the executive committee and health and safety committee to discuss audit findings. Additionally, unions discuss remediation updates in quarterly meetings (see more information in Principle 9.4). At the facility in Hanover, Pennsylvania, the safety committee meets with human resources to discuss findings following an audit, or as identified during safety walkthroughs.

Strengths:

- In communication with suppliers, L2 Brands reiterates its expectation that CAP remediation will be done in collaboration with relevant stakeholders.

Recommendations for Continuous Improvement:

- While worker, union meetings, and safety committee meetings are conducted at owned facilities, there are no regular meetings between facility management and worker representatives to discuss working conditions in contracted facilities. As a continuous improvement, FLA recommends that L2 Brands include expectations for all facilities to have regular meetings between facility management and union and worker representatives to facilitate feedback on working conditions, as noted in the Monitoring, Remediation and Supplier Performance SOP.

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:

Facility management is required to conduct root cause analysis (RCA) during the corrective action plan process. L2 Brands includes this information for suppliers in the CAP template, and the CSR team supports the root cause analysis process as needed. In cases where the RCA is not sufficient, the director of CSR asks the facility for more details and explanations for root causes. FLA verified RCA through examples from a recent audit at Hanover, where the worker safety committee was involved in remediating an eye wash station that did not work sufficiently. The safety committee and HR team worked together on providing new procedures when conducting walkthroughs of the facility to ensure the eyewash stations were working properly, including filling out a safety inspection form; they also ensured that workers receive training on how to use the eyewash stations in emergencies. During a November 2022 audit field observation at a contract facility in the Philippines, FLA verified that L2 Brands informed suppliers through documentation that RCA is a collaborative process.

Recommendations for Continuous Improvement:

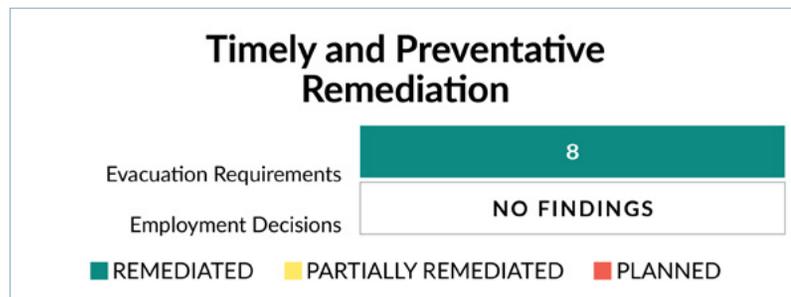
- While L2 Brands discusses the RCA process in depth with facilities during the CAP process, as continuous improvement, FLA recommends that L2 Brands update its Monitoring, Remediation and Supplier Performance SOP to clarify that RCA is a collaborative process. The SOP should also include processes for facilitating feedback between the company, facility, and other applicable parties (such as supplier/vendor management, auditors, other buyers or brands, agents, civil society organizations, or unions and/or worker representatives) to define root causes.

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:

The director of CSR tracks remediation progress using a manual folder system with a list of CAPs and follow-ups, showing when audits were done and which audit type was conducted. During the headquarters assessment, FLA reviewed how L2 Brands tracks remediation progress using this system, verifying that it tracks non-compliances and includes status columns to indicate if non-compliances are open or closed. L2 Brands plans to utilize the supplier data management system’s automated CAP management in 2026. This new system will track remediation progress as suppliers provide updated information. Staff update relevant RPP teams and leadership on remediation progress through the supplier scorecard process. As part of the supplier scorecard, the CSR score includes the facility’s audit score, CAP timeliness and completion, supplier responsiveness, and repeated violations. To get a top score of “5” in the remediation/CAP section, a supplier must close all CAP actions or be ahead of schedule with evidence of permanent resolution and worker involvement. More information on the supplier scorecard system is included in Principle 2.4. To verify remediation, the CSR team collects evidence from factories, including photographs, records, and revised policies and procedures.



FLA has verified examples of successful remediation of SCI findings at L2 Brands’ owned facilities in El Salvador and Hanover, along with contracted facilities in Guatemala and the Philippines. In 2019, at the owned facility in Hanover, an SCI assessment reported materials obstructing three sets of electrical panels in the warehouse and impacting the required three-foot clearance. To remediate this, the CSR team collaborated with the factories’ human resources team to build racks and place tape indicating necessary clearances around the electrical panels, alongside training workers on updated health and safety standards. At the owned facility in

El Salvador in 2023, an SCI found four violations that evacuation requirements were not met – including insufficient evacuation routes, emergency lights, alarms, and evacuation drills in one building. L2 Brands provided proof of remediation in a timely manner.

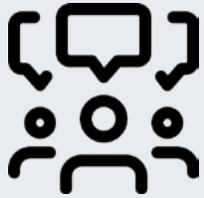
At a contracted facility in Guatemala in 2021, assessors found a non-compliance in which the facility had no alternative emergency exit at the back of the building for workers. To remediate this, the facility installed an additional exit, including emergency lighting. At a 2024 SCI in the Philippines, assessors found that a facility’s emergency exits were not the required width in accordance with regulation, creating tripping hazards. The supplier then conducted a root cause analysis, finding that the building exits were not designed or constructed according to the required safety standards. In response, the facility fixed the emergency exit doorway width as per requirements and ensured they are free of obstructions. L2 Brands worked closely with the supplier to get updates on this remediation until it was finalized.

Strengths:

- The CSR team is actively involved in the remediation process with suppliers and works to improve the overall remediation process.

Recommendations for Continuous Improvement:

- The CSR team continues to implement its supplier scorecard system and update the new supplier data management system. As a continuous improvement, FLA recommends that L2 Brands strengthens its remediation system to ensure that the company addresses its reoccurring non-compliances and verifies 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: Company Member develops a CSO outreach strategy that reflects the geographical distribution of sourcing.

Company Actions and FLA Verification:

L2 Brands' Civil Society Engagement & Strategic Plan covers all high-risk and high production countries, includes defined goals for engagement, and incorporates common workplace violations and country risks. The strategy outlines the expectation for quarterly meetings with unions at owned factories and defines how to assess the impacts of successful engagement. The policy's scope includes both proactive outreach to external stakeholders and an approach to respond to incoming inquiries from civil society organizations and unions.

L2 Brands conducted a civil society organization mapping exercise to identify potential civil society groups, government agencies, nonprofit organizations, and other external stakeholders who can contribute to engagement goals. The mapping highlights civil society and worker representative groups across El Salvador, Vietnam, Taiwan, Bangladesh, the Philippines, and Pakistan.

Strengths:

- The CSR team has prioritized continuous learning around union or worker engagement in El Salvador, including taking part in a local expert-led course focusing on freedom of association and collective bargaining.

Recommendations for Continuous Improvement:

- As part of its Civil Society Engagement & Strategic Plan, L2 Brands will continue to develop a prioritization matrix to determine high production and high-risk countries, which will include risk data from audits, FLA reports, and external country risk data. Beyond accreditation, FLA recommends that L2 Brands develops a human rights due diligence risk-based approach to assess the most salient needs in a supply chain and collaborate with civil society groups to improve working conditions and mitigate risks.

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:

L2 Brands' interaction with stakeholders, including civil society organizations, has improved the company's understanding of the local landscape, regional issues, and approach to monitoring in sourcing and production countries including El Salvador, Pakistan, and Vietnam. From 2021-2025, L2 Brands participated in the Americas Group and during this tenure used FOA guidance to strengthen dialogue systems with El Salvador unions. This included ensuring meetings and any follow-up steps were documented, occurred at a quarterly basis, and involved CSR staff and other senior management. L2 Brands was a member of the Centre for Child Rights and Business Working Group from 2021-2025. In this role, the company received updates on trends in child labor remediation, evolving regulatory requirements, and civil society perspectives on child labor issues across its sourcing countries, including Pakistan, Vietnam, China, and the Philippines. In 2023, L2 Brands signed the International Accord for Health and Safety in the Textile and Garment Industry, along with its country programs, the Bangladesh Safety Agreement and the Pakistan Accord. As an accord signatory, L2 Brands assesses its suppliers to strengthen workplace health and safety standards, implement life-saving factory improvements, promote worker training on common risks and emergency evacuation procedures, and ensure access to the accord's worker complaints mechanism. L2 Brands works closely with its suppliers to monitor and support the remediation of any safety issues identified during accord factory inspections. The director of CSR participates in regional accord meetings to stay informed about common safety findings and complaints, training outcomes that support workers, and updates to accord requirements.

Engagement on Training, Worker Communication Channels, and Remediation

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

Company Actions and FLA Verification:

L2 Brands has leveraged engagement with civil society groups and owned facility unions to inform how improvements are made to trainings, grievance mechanisms, and social dialogue with suppliers and owned factories. In 2022 in El Salvador, L2 Brands received a complaint investigated by the Worker Rights Consortium (WRC) regarding the dismissal of a worker following a complaint filed against a supervisor. L2 Brands complied with the WRC's recommendation to reinstate the worker and ensured the worker received full pay from the point of termination to the date of re-hiring. As a result of the investigation and issues highlighted by the WRC, L2 Brands' El Salvador facility has been working closely with a local expert to deliver regular harassment and abuse training. FLA staff virtually observed this training in November 2022, confirming that the training was delivered

to workers, supervisors, and managers; the training emphasized ways harassment can be perpetrated, how it impacts workers independently and collectively, and how the factory’s available grievance mechanisms work.

Recommendations for Continuous Improvement:

- L2 Brands’ Civil Society Engagement & Strategic Plan reflects the company’s goals of enhancing workplace conditions in El Salvador, Pakistan, and Bangladesh. Beyond accreditation, FLA will verify L2 Brands’ continued collaboration with current and additional civil society groups to provide expert trainings, enhance facility level communication channels, and further improve remediation plans to address labor violations.

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:

L2 Brands collects information on the presence of a union, collective bargaining agreement, and worker committee during its audit process. L2 Brands’ Master Vendor Agreement and Assessor Manual include guidance on engagement with worker committees and unions. The owned facility in El Salvador maintains a freedom of association policy which requires union participation in audit opening and closing meetings and the development of remediation plans.

L2 Brands’ CSR team and management at the El Salvador facility meet with 3-4 union members through a quarterly roundtable dialogue. During FLA’s headquarters assessment, management at the owned facility shared how the sectional collaborated with them to identify workers’ childcare needs to comply with El Salvador’s legal requirement for a daycare facility. Facility management tracks feedback from sectional leaders during these meetings to ensure complete resolution of issues raised. Both the Hanover facility and El Salvador owned facility maintain additional workers’ committees. In 2020, amid COVID-19–related business slowdowns, the union at the El Salvador facility requested FLA mediation due to concerns over worker retrenchment. FLA’s regional manager for Latin America facilitated dialogue and negotiation between the union and L2 Brands’ leadership, providing guidance and support to carry out responsible downsizing. The facility conducts its downsizing process with the consultation and intervention of the union. Through the process, L2 Brands’ leadership was responsive to FLA recommendations and union requests.

FLA conducted SCI assessments at both contract and owned facilities in L2 Brands’ supply chain. The assessments did not identify any non-compliances related to employer interference in unions, including refusal to engage in collective bargaining or to comply with collective bargaining agreements, or any other freedom of association violations.

Freedom of Association and Collective Bargaining	
Collective Bargaining Agreement Compliance	NO FINDINGS
Employer Interference in Union Operations	NO FINDINGS
■ REMEDIATED ■ PARTIALLY REMEDIATED ■ PLANNED	

Strengths:

- L2 Brands’ owned facility in El Salvador hired a director of human resources in early 2025 to enhance internal policies and procedures, including union procedures. The owned facility and L2 Brands illustrate continued commitment to strengthening union dialogue, which is embedded in the human resources director’s job description.



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 ownership, changes in its 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:

L2 Brands is actively engaged as an FLA member. L2 Brands' executive vice president of partnerships, licensing and corporate social responsibility is an active member of FLA's Business Caucus and sits on the Retailer Working Group. L2 Brands fulfills all FLA administrative requirements, including paying annual dues, completing milestone evaluations, providing an annual updated facility list, and cooperating with SCI assessments and field observations.

APPENDIX A: REMEDIATION PROGRESS

The chart below shows the full remediation progress analysis from L2 Brands' SCI assessments included throughout this report.

L2 Brands Remediation Progress

Sexual Harassment	NO FINDINGS
Production Targets	NO FINDINGS
Freedom of Movement	NO FINDINGS
Monetary Fines	NO FINDINGS
Employer Interference in Union Operations	NO FINDINGS
Pregnant Worker & New Mother Protections	NO FINDINGS
Employment Decisions	NO FINDINGS
Legally Mandated Benefits	NO FINDINGS
Proof of Age Documentation	NO FINDINGS
No Rest Day	NO FINDINGS
Accurate Wage Records, Calculation, & Payment	NO FINDINGS
Collective Bargaining Agreement Compliance	NO FINDINGS
Minimum Wage	NO FINDINGS
Forced Overtime	1
Personal Protective Equipment (PPE)	2
Recruitment Practices	2
Chemical Management	2
Termination and Retrenchment	2
Evacuation Requirements	8
Machinery Safety	6
Grievance Mechanisms	4
New Employee Orientation	2
Supervisor Training	3
General Compliance Hours of Work	3

■ REMEDIATED
 ■ PARTIALLY REMEDIATED
 ■ PLANNED