

## KnowTheChain 2023 Apparel & Footwear Benchmark

### Additional Disclosure

Company Name: Capri Holdings

Date: 9/22/23

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

#### INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

Our [Code of Conduct for Business Partners](#) (as used throughout this document, the "Code") was last updated in April 2023. Among other changes that were made, the updated version of the Code expressly requires our suppliers to cascade the Code to its own suppliers. Please see Section Two: Informed Workplace.

To clarify further, the Code includes various mechanisms that work together to ensure our suppliers are communicating our standards to their own suppliers and implementing processes to ensure compliance with our Code throughout their supply chain.

- Section One: *"It is important that our business partners have the necessary policies and management systems in place to maintain compliance with the Code and local law.... Our business partners must also maintain all documentation necessary to demonstrate their compliance with the Code and provide the same to us upon our request"*
- Section Two states: *"Our business partners are expected to communicate the principles, obligations and standards set forth in the Code to their workers, subcontractors, agents and representatives."*
- Section Eight states: *"Business partners must ensure that all subcontractors meet all of the criteria set forth in the Code. Business partners engaged in the production of Company products (or components thereof) must also register all subcontractors, workplaces and facilities with the Company and upon our request, provide information about each of the same, including country of origin of raw materials used"*
- Finally, by doing business with us, suppliers commit *"to respect and adhere to the standards set forth in the Code"*.

Our [Migrant Worker Policy](#), which supplements our Supplier Code and conveys our expectations around heightened risks faced by migrant workers, expressly states “ Our Suppliers are responsible for communicating this Policy to their own suppliers and subcontractors and for ensuring their supply chain partners comply with the requirements set forth herein.... Evidence of compliance with this Policy.... may be requested from Suppliers by the Company at any time, and Suppliers must promptly cooperate with, and respond to, all such requests.”

In addition to our Code, we also require suppliers to review and sign our Compliance Program’s handbook, which is issued to all direct supply chain partners during new supplier onboarding and annually thereafter. This Handbook describes the requirements of the Program and provides an overview of how Capri implements the Program standards throughout its relationship with Suppliers, including the expectation that all Suppliers comply with the Code. It is the responsibility of each Supplier to share the Program Handbook with its own supply chain partners, including subcontractors, involved in the production and/or sourcing of any Versace, Jimmy Choo or Michael Kors products (or components thereof) and to ensure that it and all of its supply chain partners comply with the Program requirements at all times.

**1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.**

We are committed to continuing to engage in capacity building with our direct suppliers to enable these business partners to cascade our relevant policies to their own supply chains. To help our suppliers understand and uphold our standards, we engage in capacity building through multiple channels, as indicated below. We measure the effectiveness of our capacity building through our monitoring protocols, which include ongoing assessment and/or audits as well as regular engagement with affected stakeholders.

- Our enhanced supply chain compliance program (as used throughout this document, our “Compliance Program”) includes training and education materials on forced labor and human trafficking, as well as best practices and guidance for implementing the standards in our Code and our Migrant Worker Policy. Our Compliance Program’s handbook allows and encourages our business partners to use our Code and Migrant Worker Policy training materials to educate their own workers, suppliers, supervisors, management, subcontractors, agents and representatives on the requirements and expectations in our Compliance Program policies. We require all our direct supply chain partners to review and agree to comply with our handbook. *See our [Human Rights Statement](#), page 7, our [Code](#) and [Migrant Worker Policy](#)*
- As part of our Compliance Program, potential suppliers must conduct a self-assessment and undergo a formal assessment. Both assessments help suppliers understand our expectations and the application of the Code and Migrant Worker Policy. Participation in our Compliance Program is mandatory for all of our direct supply chain partners (which include Tier 1 and some Tier 2 suppliers) and adhering to our Compliance Program requirements is a prerequisite to establishing or continuing to do business with us. *See our [Human Rights Statement](#), page 4, our [Code](#) and [Migrant Worker Policy](#).*
- As per our Code, subcontracting is expressly prohibited without our approval. In the event our suppliers engage a subcontractor to perform any services that impact our supply chain, our suppliers are required to ensure the subcontractor is informed of the requirements of our Code, has processes and procedures in place to comply with our Code, and is compliant

with our Code. This includes our Migrant Worker Policy as well, where applicable. *See also response to 1:1 above.*

- We also facilitate regionally relevant, issue-specific training through multi-stakeholder groups and initiatives. *See our [Human Rights Statement](#), page 6, 7*
  - We joined RISE, a platform that serves to catalyse collective action at a scale for the benefit of women workers and gender equality in global supply chains. As a member of RISE, we are committed to implementing workplace trainings at strategic partner facilities and leveraging the organization's industry-wide and data-driven solutions to positively impact a greater number of women working in our value chain.
  - We support suppliers' participation in Better Work and accept Better Work audits in lieu of or in addition to our standard audit protocols. By accepting Better Work audits as a part of our enhanced Compliance Program requirements, we are now further supporting facilities that have ensured an alternative form of grievance resolution is made available in lieu of a traditional union.
  - In addition to our own audit program, we continue to leverage SAC (Sustainable Apparel Coalition) tools including SAC's FSLM (Facility Social & Labor Module).

## INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

Beginning in Fiscal Year 2023, 10% of our leadership's annual incentive compensation will be tied to individualized ESG goals" which includes goals on supply chain policies. *See our [2022 CSR Report](#), page 22.* As stated in our CSR Report, ESG goals include goals and policies specific to our supply chains.

Overall responsibility for the implementation of Capri's human rights-related commitments has been assigned to the Company's Senior Vice President, General Counsel & Chief Sustainability Officer, who reports to the Capri CEO, and who is supported by dedicated supply chain compliance, CSR, human resources, diversity and inclusion, and legal teams. The requirements of our Compliance Program were developed by a cross-functional team of Company executives, including our Senior Vice President, General Counsel & Chief Sustainability Officer, and executives within our internal audit, supply chain operations, brand production/sourcing, CSR and legal departments. Our supply chain compliance team is responsible for addressing and responding to human rights issues and events throughout our supply chain, and for day-to-day execution of our Compliance Program. We investigate issues as they arise and escalate to relevant Company leadership as needed in order to ensure appropriate action is being taken. *See our [Human Rights Statement](#), page 10, 11.*

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

We take steps to ensure that persons throughout our value chain, including decision makers within the Company and various supplier tiers, have the necessary skills to effectively implement the Company's policies. Additional employee trainings *based on location, level and role* are also required as a part of our ethical business practices program, including annual training *for all relevant internal stakeholders* on human rights risks inherent in the global fashion supply chain, and specifically

around the standards set out in our Code. As a result of our ongoing due diligence process described above, we recognize that responsible purchasing practices are a critical component of ensuring the fundamental human rights of supply chain workers are respected. We require *all relevant Company employees* to undergo regular training related to these practices including proper planning and forecasting. This training is prepared in line with industry best practices, including guidance from the Better Buying Initiative. See our [Human Rights Statement, page 7,8](#).

To clarify, trainings on human rights risks and standards in our Code are provided to employees *based on location, level and role*, and responsible purchasing training is provided to *all relevant employees*. We do not limit training to just production teams, but instead include employees who are involved in the process as well as certain decision makers. Procurement is among the groups that receive this training, as they are amongst the relevant employees and roles that warrant this training.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

Our CSR strategy focuses on four foundational pillars – Our Governance, Our World, Our Community and Our Philanthropy. We believe responsible business practices start from the top, and we recognize the increasing importance of ESG matters to our business and our stakeholders. Our sustainability governance model ensures our Board of Directors, executive team and brands are aligned on the most important sustainability risks and opportunities for Capri.

Our Governance, Nominating and Corporate Social Responsibility Committee provides Board-level oversight of our CSR strategy, *inclusive of our human rights commitments*, our long-term CSR goals and reporting. This Committee is ultimately responsible for the overall strategic direction of the Company’s CSR programming, including our approach to and processes for respecting human rights and our supply chain policies that address forced labor. The Company’s CSR Executive Committee, made up of executive-level brand and Company leadership, also provides direction and support for all pillars and focus areas within our CSR strategy, including human rights considerations within our own workplace. See our [Human Rights Statement, page 11](#).

For more information on frequency of meetings and details around board composition, please See our [2023 Proxy Statement, page 23](#).

### INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

During FY22, we maintained 100% traceability of our 445 active Tier 1 suppliers.

In FY23, we have continued to maintain 100% traceability of our active direct suppliers, which includes Tier 1, and plan to disclose the names and addresses of these suppliers in our 2023 CSR report, anticipated to be published in December 2023.

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

Beyond Tier 1, we have identified 663 suppliers from which we directly purchased raw materials, trims and other components during our last fiscal year. In 2020, we committed to achieving 95% traceability of fabric, trim and hardware suppliers and processing units (Tier 2 suppliers) by 2025. In our 2022 CSR Report, we identified the locations of our Tier 2 suppliers as follows: North America (1); EMEA (473) and APAC (2).

*See our [2022 CSR Report](#), page 26, 27 and SASB disclosure, page 81*

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

#### INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

We assess human rights risks within our supply chain by identifying and monitoring risks factors by region and by country, worker type, and key processes. We mitigate risk through careful screening and selection of values-aligned suppliers, capacity building, supply chain policies and procedures, oversight and monitoring mechanisms, and the knowledge and skill of our employees.

Our Human Right Statement was updated in April 2023. We recently enhanced our Compliance Program and provided a comprehensive overview of our Compliance Program in the updated statement. *Please see our [Human Rights Statement](#), Section 5 “Identifying and Assessing Our Human Rights Impacts” for complete details.*

4.2 details on forced labour risks identified in different tiers of its supply chains; and

We strive to identify and assess human rights-related risks by considering the geographic location of suppliers’ facilities and the nature and volume of manufacturing or sourcing activities being conducted on behalf of our brands. Local jurisdictional context and regulatory environments have the potential to impact human rights, including adversely, even though such impacts may not be directly caused or contributed to by Capri. The geographic risk assessments incorporated into our supplier due diligence screens are informed by learnings from our participation in multi-stakeholder initiatives (*discussed in our [Human Rights Statement](#), page 4*), the findings from past assessments and audits, general industry learnings, and insights gathered through a cloud-based risk assessment software. This software is utilized by our Compliance Program team to identify potential or inherent human rights impacts in the jurisdictions or regions where our suppliers’ facilities are located, or where certain parts of the broader global fashion supply chain, including raw material production, are generally known or understood to take place. We recognize that the nature of the work being conducted in certain jurisdictions or regions may also result in adverse human rights impacts, which we consider as a part of our geographic risk assessment. For example, we recognize that raw materials are harvested seasonally, oftentimes by migrant workers who may travel to the region for the harvest which may take place in isolated conditions, resulting in fewer visitations by labor inspectors and difficulty for workers to report abuse.

We recognize that migrant workers within the global fashion supply chain can be particularly vulnerable to unfair working conditions, exploitation and forced labor. In response to this specific risk identified, we developed our Migrant Worker Policy which references to and aligns with the Fundamental Conventions of the International Labor Organization and the Dhaka Principles on Migration with Dignity. Our suppliers are expected to cascade our Migrant Worker Policy throughout their supply chain, and we provide capacity building and training materials to enable suppliers to reach the furthest tiers of the fashion supply chain with the goal of addressing the geographic-specific risk and presence of migrant workers in production and sourcing of raw materials.

*See our [Human Rights Statement](#), page 5 and our [Migrant Worker Policy](#).*

Additionally, we recognize that certain risks are inherent to the sourcing of particular raw materials, and we are committed to addressing relevant sectoral risks which may not be otherwise identified as a part of our direct supplier audit protocol. For example, we know, including through the findings from our due diligence process, that the leather industry has the potential to adversely impact human rights, notably at the tanning stage of production due to chemical inputs which may affect workers and resulting wastewater that may affect local sourcing communities. We have taken action against these inherent risks by ensuring a significant majority of the leather we purchase comes from Leather Working Group (LWG) Gold- or Silver-certified tanneries. This level of certification requires tanneries to meet strict standards around safe chemical management, responsible water use and wastewater discharge. In addition to LWG, we also have a commitment to achieving zero hazardous chemicals across our supply chain by 2025. By setting ambitious targets for our suppliers' certification standards and chemical use, and supporting these responsible tannery practices by prioritizing the purchase of hides from certified facilities, we are not only reducing the likelihood of potential adverse human rights impacts to persons and communities in our own supply chain, but we are leveraging this multi-stakeholder initiative to promote an overall more responsible leather industry. *Additional information on how Capri's Better Leather strategy seeks to address the social impacts of the leather industry, along with the Company's most-current progress toward its LWG sourcing goal, can be found in our [2022 CSR Report](#).*

*See also our [Human Rights Statement](#), page 8,9*

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

We actively engage with relevant stakeholders around ESG topics most material to our business. We are committed to transparently reporting on our identification, evaluation, prevention and, if necessary, remediation of human rights impacts through outcome-based reporting, including in our annual CSR reports and in periodic updates to the Human Rights Statement.

Because of our commitment to engage with stakeholders, including NGOs, we receive and respond to inquiries, through our Global Hotline or otherwise, from NGOs engaging with our sourcing communities. All grievances received through the Global Hotline are logged and processed, with outcomes formally recorded. The effectiveness of the Global Hotline is continuously reviewed with internal and external stakeholders.

#### INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

#### INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

As a result of our ongoing due diligence process, we recognized that responsible purchasing practices are a critical component of ensuring the fundamental human rights of supply chain workers are respected. We will require all relevant Company employees to undergo regular training related to these practices including proper planning and forecasting. This training is prepared in line with industry best practices, including guidance from the Better Buying Initiative. Additionally, the training has been prepared in line with guidance provided by BSR.

*See our [Human Rights Statement](#), page 8*

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

#### INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

Implementation of the Employer Pays principle begins with our Compliance Program policies. We set our expectations around this topic at the outset, and all direct suppliers certify compliance with our Code and Migrant Worker Policy prior to, and throughout as circumstances warrant, the business relationship. Our Migrant Worker Policy sets forth 11 standards with which we expect suppliers to comply with respect to migrant workers, and each includes best practice guidance prepared with

reference to and aligns with the Fundamental Conventions of ILO Dhaka Principles (the Guide to Implementing the Dhaka Principles is also provided to suppliers).

We work to prevent the charging of fees to workers, or where fees are charged, reimbursement, through our Compliance Program screening, monitoring and audit protocols. Prior to establishing a business relationship with any supplier, suppliers are required to participate in our diligence screens which include holistic supplier assessment, including around where the labor used to produce our products is sourced, and specifically include key indicators around migrant workers (*e.g., number of migrant workers used, country of origin, recruitment agencies used, etc.*) which allows us to tailor further and ongoing diligence as necessary to mitigate risks specific risks identified. We engage independent third-party auditors to conduct announced and unannounced audits and site inspections focused on compliance with our Code and Migrant Worker Policy. During standard audits, we or our third-party audit agent conducts interviews with migrant workers to verify answer provided in the supplier assessment (mentioned above) and to understand if any recruitment fees were paid directly by the migrant worker. If a supplier facility uses a labor recruitment agency or an in-house subcontractor for any part of the recruitment or production process, the facility must ensure the recruitment agency and all subcontractors comply with our audit protocols and access to workers as requested.

A finding that recruitment fees have been paid directly by any worker results in a corrective action plan. In order to remediate fees issues within our supply chain that are identified, our compliance teams or third-party audit agent engage with the factory to gather relevant information and work with the supplier to implement and carry out the corrective action plan. To verify workers have been repaid fees incurred, Capri requests the supplier to provide confirmatory documentation, as per our Code and Migrant Worker Policy.

See our [Human Rights Statement](#), page 4-6

As stated in the Code and Migrant Worker Policy:

- **Code (Section 5 Employment Practices, Ethical Recruitment)** Our business partners must ensure that no fees or costs have been charged, directly or indirectly, in whole or in part, to job-seekers or workers for their services that are directly related to recruitment for temporary or permanent job placement, whether using the services of recruitment, labor broker or employment agents or performing recruitment activities directly. Workers must not be required to pay employers' or their agents' recruitment fees or other similar fees (such as host country fees like levies, fees for work permits, or fees for renewing work documents, or home country fees like visa fees, medical checks, or any other costs that are not the legal responsibility of the worker) to obtain employment. If such fees are found to have been paid by workers, the business partner must promptly repay such fees to the workers.
- **Migrant Worker Policy. (Section 3, page 3)** Suppliers should pay all fees owed to labor recruiters directly to ensure these costs are not passed on to any migrant worker. Suppliers should consult with migrant workers prior to and upon arrival at the Supplier's facilities to understand whether the migrant worker has paid any fees for recruitment or employment. If such fees are found to have been paid by a worker, the Supplier must promptly repay such fees to the worker. We expect our Suppliers to provide a list of labor recruiters used and the fees paid to each upon the Company's request. **(page 1)** Evidence of compliance with the Migrant Worker Policy, including proof of reimbursement of recruitment fees to migrant workers and evidence of proof of engagement of legal recruitment agents, may be required



by the Company at any time, and Suppliers must promptly cooperate with, and respond to, all such requests

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

See response to question 7.2 above.

#### INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

Suppliers should use best efforts to minimize the use of recruitment, employment or labor agents or brokers (collectively, “labor recruiters”) and instead recruit migrant workers directly wherever possible. Where possible, Suppliers should develop their own referral mechanisms for new recruitment that include clear guidance to existing workers in an effort to increase transparency and reduce risk for new migrant workers. If labor recruiters are engaged, Suppliers shall ensure that all labor recruiters are legally licensed and recruit workers ethically as laid out in this Policy. Suppliers shall further ensure that all labor recruiters comply with the Supplier Code, applicable law and the ILO Core Labor Standards, including the elimination of forced labor, and Suppliers shall work with government registered labor recruiters where possible. Before accepting the services of a labor recruiter, Suppliers should conduct all necessary due diligence, including background checks, to ensure the labor recruiter will perform in a legal and ethical manner and will meet all requirements set out in this Policy. Suppliers should have legally binding service agreements with labor recruiters that comply with applicable law and that contain a commitment to comply with the Supplier Code and all key components of this Policy. Suppliers should conduct regular monitoring, which may include conducting onboarding interviews with migrant worker, conducting audits and/or consulting grievance mechanisms, to ensure all engaged labor recruiters comply with the terms of their service agreements and the Migrant Worker Policy.

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

1. Supplier training materials on ethical recruitment; self-assessment

- As part of our Compliance Program, potential suppliers must conduct a self-assessment and undergo a formal assessment. Both assessments help suppliers understand our expectations and the application of the Code and Migrant Worker Policy. Participation in our Compliance Program is mandatory for all of our direct supply chain partners, and adhering to our Compliance Program requirements is a prerequisite to establishing or continuing to do business with us. See our [Human Rights Statement](#), page 4.
- As part of our Compliance Program, we provide training and educational materials to existing suppliers when we update our program, practices or policies, and as needed on specific focus areas of high risk which may have been identified through our audit or monitoring protocols, including through corrective action plans. Additionally, we provide best practice guidance for the ethical recruitment of migrant workers and training materials

on the implementation of the Dhaka Principles. See our [Human Rights Statement](#), page 6 – 7, [Migrant Worker Policy](#) and the [Code](#).

## 2. Requiring the use of responsible recruitment agencies

- Suppliers are expected to have a direct contract with any recruitment agencies specifying the terms and conditions for recruitment and hiring of foreign migrant workers, including adherence to the Code and the Migrant Worker Policy, Suppliers are also expected to conduct proper due diligence on recruitment agents/agencies prior to and during their engagement to ensure compliance with the Code and Migrant Worker Policy. See our [Migrant Worker Policy](#), Section 1

## 3. Ongoing oversight and due diligence

- Our Compliance Team analyses the results of supplier questionnaire (which include key indicators around responsible recruitment, as mentioned above) and verifies accuracy through desktop or in-person audits (described above) and/or through accepted third party audit reports, including SAC's FSLM (Facility Social & Labor Module) and Better Work.
- Our Compliance Program team determines the nature and type of assessments or audits that will be considered acceptable at any point during our business relationship with a particular supplier taking into consideration the findings from our initial supplier screens and any subsequent due diligence assessments; the receipt of HIGG FSLM, Better Work or other relevant and approved assessment reports; and the nature and volume of products manufactured.
- We also engage supplier management, workers and worker representatives (where relevant) in open discussions on audit and assessment findings, exploring root causes of instances of non-compliance during the development of time-bound corrective action plans ("CAPs"). Suppliers are expected to address all identified instances of non-compliance in each CAP. See our [Human Rights Statement](#), page 4-6

## 4. Industry Collaboration

- We are members of the American Apparel & Footwear Association's ("[AAFA](#)") [Commitment to Responsible Recruitment](#), signifying our commitment to work to create conditions so that:
  1. *No workers pay for their job;*
  2. *Workers receive a timely refund of fees and costs paid to obtain or maintain their job;*
  3. *Workers retain control of their travel documents and have full freedom of movement; and*
  4. *All workers are informed, in their native language, of the basic terms of their employment before leaving home.*

We regularly participate in AAFA conversations around social compliance and forced labor in the supply chain to deepen our knowledge, identify potential risks and improve mitigation and prevention efforts.

For additional details on our industry participation, see table, [Power of Partnership](#), page 17 of our [2022 CSR Report](#).

## INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

As stated in our Code (Section 5, Employment Practices; Freedom of Association): Our business partners are required to recognize and respect the right of freedom of association and collective bargaining and must respect the legal rights of workers to freely and without harassment, form, belong to, and participate, or not participate in, worker organizations of their choice. The Company encourages business partners to engage with local and global unions to import freedom of association and to promote alternative forms of organizing.

As stated in our Migrant Worker Policy (Section 8, Right to Representation), Migrant workers should have the same rights as other workers to join (or not join), participate in, form and collectively bargain in organizations as permitted by host country law and as provided in the Supplier Code. In situations where migrant workers are not permitted to be represented by legally recognized trade unions, Suppliers, to the extent possible and as applicable, are expected to respect the self-organization of migrant workers and engage with their representatives.

We regularly review Company policies to ensure they remain responsive and impactful in light of the findings of our due diligence processes. For example, protecting the rights of collective bargaining and freedom of association were identified as salient risks for Capri; we then took steps to strengthen our policy around these topics within the Supplier Code and the Migrant Worker Policy. The Code now conveys the Company's belief that suppliers should engage with local and global unions to improve freedom of association and to promote alternative forms of organizing. By accepting Better Work audits as a part of our enhanced Compliance Program requirements, we are now further supporting facilities that have ensured an alternative form of grievance resolution is made available in lieu of a traditional union. The Better Work program assists with the implementation of fairly elected worker-management committees focused on proactively improving working conditions and amplifying the voice of workers. We also adhere to local labor laws in each country where we do business and to the ILO Core Labor Standards including the rights to freedom of association and participation in collective bargaining. See our [Human Rights Statement](#), page 4-6, 8

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

#### INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Our suppliers are expected to cascade our Code to their own suppliers, and our suppliers are required to ensure their subcontractors comply with the standards in the code, including that the supplier and their subcontractors provide an effective grievance mechanism. *Please see answer 1:1 above and our Code, Section 13.*

Our [Global Ethics Hotline](#) is publicly available on our website and expressly states that the hotline may be used as a grievance mechanism for affected stakeholders and their representatives.

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

Because of our commitment to engage with stakeholders, including NGOs, we receive and respond to inquiries, through our Global Hotline or otherwise, from NGOs engaging with our sourcing communities. All grievances received through the Global Hotline are logged and processed, with outcomes formally recorded. The effectiveness of the Global Hotline is continuously reviewed with internal and external stakeholders.

As a part of our commitment to capacity building and remediation, we will partner with supply chain partners to ensure their grievance mechanisms are legitimate, accessible, transparent and effective. In jurisdictions where traditional grievance systems, such as trade unions or collective bargaining, are not permitted or supported, we encourage suppliers to support multi-stakeholder and/or NGO grievance mechanisms, and to permit and engage with alternative forms of organizing as stated in our Code.

#### INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Audits are not isolated to only the buildings/areas within a facility where products are manufactured; during a full assessment, auditors will conduct a thorough evaluation of the entire facility and must be provided with access to all production areas, offices, Dormitories and Canteens (if any). See our [Human Rights Statement, Page 5](#).

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

As stated in our Migrant Worker Policy, Section 8: Migrant workers should have the same rights as other workers to join (or not join), participate in, form and collectively bargain in organizations as permitted by host country law and as provided in the Supplier Code. In situations where migrant workers are not permitted to be represented by legally recognized trade unions, Suppliers, to the extent possible and as applicable, are expected to respect the self-organization of migrant workers and engage with their representatives.

In jurisdictions where traditional grievance systems, such as trade unions or collective bargaining, are not permitted or supported, we encourage suppliers to support multi-stakeholder and/or NGO grievance mechanisms, and to permit and engage with alternative forms of organizing as stated in our Supplier Code. *See our [Human Rights Statement](#), page 10*

We require all direct suppliers to post an informational poster related to our Global Hotline (translated into the relevant language(s) understood by workers at their facilities) in common spaces accessible to workers, and to distribute these posters to all off-site workers engaged in the production or sourcing of our products (or components thereof); this is verified as a part of our Compliance Program. Because of our commitment to engage with stakeholders, including NGOs, we receive and respond to inquiries, through our Global Hotline or otherwise, from NGOs engaging with our sourcing communities. In addition to our operational grievance mechanism, we expect our direct suppliers to provide their workers with an effective grievance mechanism to confidentially and anonymously report workplace concerns to management; suppliers' compliance with this requirement is verified as a part of our Compliance Program. As a part of our commitment to capacity building and remediation, we partner with supply chain partners to ensure their grievance mechanisms are legitimate, accessible, transparent and effective. *See our [Human Rights Statement](#), page 10*

#### INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

At Capri, we are committed to principles of ethical business practice and recognition of the dignity of others, including responsible labor practices throughout our value chain. As described in our Human Rights Statement, available on [capriholdings.com/CSR](http://capriholdings.com/CSR), we support all internationally recognized human rights, including those contained in the United Nations Universal Declaration of Human Rights, and expect our supply chain partners to do the same. Consistent with this commitment, we have established a Code of Conduct for Business Partners (the "Supplier Code") which serves as a minimum set of standards for our brands' suppliers.

We are committed to taking appropriate measures to address any adverse human rights impacts, including forced labor and human trafficking, which may be identified during our due diligence processes (as further described in our Human Rights Statement, and which include monitoring suppliers' compliance with the Supplier Code through certifications and audits), or otherwise brought to our company's attention. We believe appropriate action varies depending on whether Capri causes or contributes to an adverse impact, or whether we are involved solely because the impact is linked to our operations, products or services as a result of a business relationship. We have put into place operational policies, tools and programs aimed at protecting the fundamental

human rights of our stakeholders, including as a result of certain specific due diligence findings or allegations. As further detailed in our Human Rights Statement, our response efforts may include: training and responsible purchasing practices; supply chain traceability and responsible sourcing practices; empowerment programming; stakeholder engagement and communication; other efforts to protect rights-holders; and a commitment to remedy.

As further stated in our Human Rights Statement, our dedicated supply chain compliance team is responsible for addressing and responding to human rights issues and events throughout our supply chain, and for day-to-day execution of our supply chain compliance program. We investigate issues as they arise and escalate to relevant company leadership as needed in order to ensure appropriate action is being taken. When we deem it necessary, we post updates to policies, resources and positions on [capriholdings.com/CSR](http://capriholdings.com/CSR).

Link to Hotline: [Grievance-Hotline-Numbers\\_CHL.pdf \(q4cdn.com\)](#)

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Please see below

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

Following our receipt of the report naming Michael Kors (a Capri brand) in connection with allegations of forced labor, we promptly engaged in a dialogue with our direct supply chain partners ("direct suppliers") who were also named in the report as doing business with suppliers connected to Xinjiang ("subcontractors") in order to investigate these allegations. We requested formal responses from these direct suppliers to the allegations made in the report, including information on the due diligence received by the named subcontractors, such as signed declarations from mills, country of origin certifications and the like). Our investigation could not corroborate the findings in the report. Nonetheless, we used this as an opportunity to reiterate to our direct suppliers our Supplier Code of Conduct, including our prohibition on all forms of forced labor and human trafficking and the ramifications for failing to comply with this policy.

As a result of this dialogue, we learned that our direct suppliers either did not do business with the named subcontractors (and the allegations with respect to our direct suppliers were erroneous) or that our direct suppliers were already in receipt of written certifications from the named subcontractors that following adequate due diligence of the subcontractors' own operations (which may include signed declarations from mills, country of origin certificates, and the like), they do not source cotton products from the Xinjiang region (and the allegations with respect to said subcontractors were determined to be unfounded).

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

No actual stakeholders were affected and no remedy was required from our company as the allegations were unsubstantiated. However, our investigation did inform our engagement with suppliers on this topic moving forward. We enhanced our supply chain compliance handbook (which all direct suppliers of our brands receive during onboarding and regularly thereafter, and are required to certify compliance with) to include a statement on accountability and forced labor, including with respect to cotton. In this statement we convey our expectation that our suppliers take steps to confirm there is no forced labor, prison labor, slavery or human trafficking in any portion of

suppliers' supply chains, including with respect to cotton, by obtaining supporting documents to help evidence the same.

**B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.**

No remedy was required as the allegations in the report were not corroborated.

Where an allegation is identified in the company's supply chains, but is denied by the company:

**B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and**

As detailed in our Human Rights Statement, we regularly review company policies to ensure they remain responsive and impactful in light of the findings of our due diligence processes. We also take steps to ensure that persons throughout our value chain have the necessary skills to effectively implement our policies. As noted above, and including as a result of concerns throughout our industry of forced labor and human trafficking tied to cotton sourced from the Xinjiang region, we enhanced our supply chain compliance handbook to include a statement on accountability and forced labor, including with respect to cotton. In this statement we convey our expectation that our suppliers take steps to confirm there is no forced labor, prison labor, slavery or human trafficking in any portion of suppliers' supply chains, including with respect to cotton by obtaining supporting documents to help evidence the same. The handbook also includes a new social guidance section which elaborates upon the social and human rights-related standards set out in the Supplier Code, serving as a training resource for our suppliers on compliance with our standards. This section specifically addresses the minimum standards we expect our direct suppliers to comply with, and suggested best practices, related to preventing forced labor and human trafficking. An additional step we take to prevent adverse human rights impacts in our supply chain is prioritizing supply chain traceability by investing in resources and technology to enable our company to dig deeper into raw material supply chains.

We are committed to remedying any adverse human rights impacts that we have caused or contributed to should they arise, as stated above. We believe appropriate action varies depending on whether Capri causes or contributes to an adverse impact, or whether we are involved solely because the impact is linked to our operations, products or services as a result of a business relationship. We prioritize taking action where we have the most leverage or otherwise where delayed responses would make adverse human rights impacts irreparable. At the same time, we aim to increase our leverage to act on adverse human rights impacts where we can, including through our engagement with multi-stakeholder initiatives. If we do not have sufficient leverage or the direct ability to act, we support industry-wide collaboration and, where appropriate, government action to address adverse human rights impacts more effectively, including in the case of complex and evolving risk landscapes.

**B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.**

As noted above and elaborated upon in our Human Rights Statement, we engage with suppliers and affected stakeholders to not only ensure remedies are appropriate but to also identify and assess actual or potential adverse human rights impacts in our supply chain. For example, engagement with suppliers during our corrective action plan (CAP) process is a critical component to our approach to actioning and remediating negative impacts. Our goal is to ensure that Capri's human rights-related diligence and remediation activities remain relevant and impactful, drawing on feedback from internal and external sources, including affected stakeholders where relevant.