



EILEEN FISHER

2020 BENEFIT CORPORATION REPORT

Letter from Eileen

EILEEN FISHER became a New York State Public Benefit Corporation in 2017 in order to make legally binding what we have long practiced: a lasting commitment to people and planet while maintaining a healthy business.

2020 was a year like no other. Our business experienced significant losses and we had to make some tough decisions. We temporarily closed our stores, furloughed nearly two-thirds of our employees, and, by the end of the year, restructured our business accordingly.

Throughout all of this, our commitment to our employees, customers, and supply chain partners remained steadfast. We are also as dedicated as ever to our Benefit Corporation priorities.

I am confident we will come through this period stronger, with greater resilience, and with a clearer vision about what matters most.

A handwritten signature in black ink, appearing to read "Eileen Fisher". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Our Purpose

We design for simplicity and wholeness—to inspire joy and connection in women around the world.

Our Values

We are authentic. We thrive in connection. We trust each other. We innovate through creativity. We are committed to the health of the whole. We are united by purpose.

BENEFIT 1

We are committed to designing clothing that creates minimal environmental and social impact.

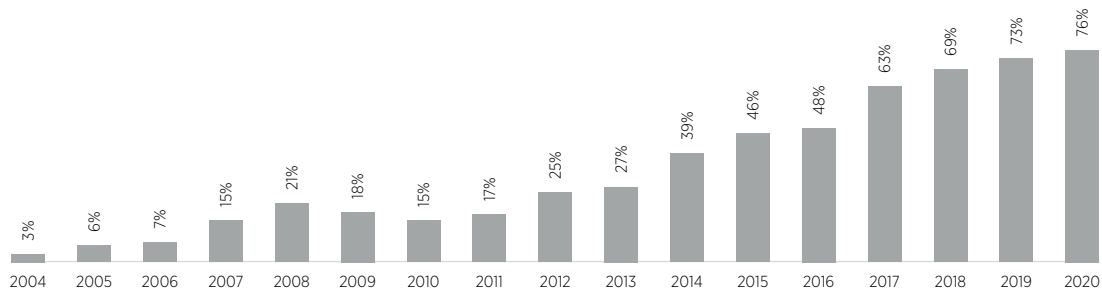
Materials

OVERVIEW In the spring, we wrapped up our five-year Vision2020 initiative, which aimed to source raw materials from organic, recycled or responsible sources. We then launched Horizon 2030, which takes our commitments to a new level by focusing on circular design, regenerative agriculture, and the intersection of women and climate.

SUCCESSES

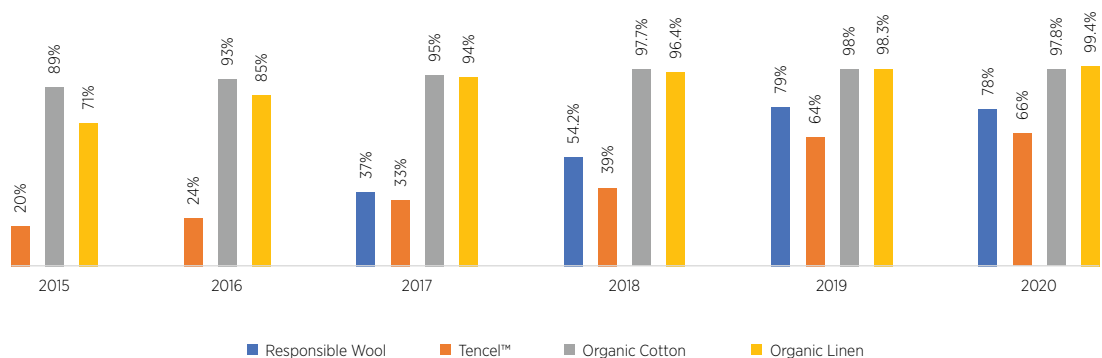
ECO-PREFERRED By the end of 2020, 76% of all of our products featured “eco-preferred materials,” as defined by our proprietary Materials Ranking Tool (MRT), which assigns a score to every yarn and fabric we use based on its [fiber content](#) and chemical inputs.

ECO-PREFERRED MATERIAL PROGRESS SINCE 2004



- By the end of 2020, 97.4% of all cotton in our products was either organic or recycled. Similarly, 99% of our linen was organic (the goal for both being 100%).
- Responsible Wool and Tencel™ Lyocell continue to be strong, as shown below.

PREFERRED FIBER USE BY YEAR



- Our transition from using conventional to eco-preferred fibers has made good business sense. Seven of the top ten materials (volume sold) in our products are eco-preferred.

REGENERATIVE AGRICULTURE This holistic method (which uses farming practices that restore the land and contribute to biodiversity) continues to be an important area of exploration for EILEEN FISHER. With the introduction of Horizon 2030, we named regenerative agriculture as a key element of our strategy for sourcing fiber responsibly.

CHALLENGES

- 2020 was the most challenging year in EILEEN FISHER's 36-year history. Due to severe financial constraints exacerbated by the global pandemic, the company was forced to reduce its workforce by approximately one-third—including its entire transparency team—and place the majority of staff on extended furlough. Though we transferred many responsibilities to our remaining employees, the overall lack of financial and human resources curtailed our ability to move many of our priorities forward.
- A perennial challenge we face involves the reliability of third-party certifications. Last year, we wrote that “certifications are only a part of the complete picture.” We continue to question the role certifications should play as part of our overall due diligence in determining whether our suppliers meet our environmental and social standards. We acknowledge that certifications provide a snapshot of a single day out of an entire year at a facility. Because of this, we will continue to develop and invest in a robust due diligence program. While certifications will always be part of our due diligence, we remain committed to building our supply from the bottom up to form a supplier network based on transparency rather than third-party assessments.

Chemistry

OVERVIEW Chemical management remains important in our textile sourcing. Going forward, we will continue to prioritize improvements in our suppliers' chemical management practices, while phasing out hazardous chemicals throughout our manufacturing processes.

SUCCESSSES

BLUESIGN® By the end of 2020, 40% of our products were made of materials that are either bluesign® certified or use bluesign® approved chemistry. We continue to partner closely with additional dyehouses to help them adopt safer bluesign® approved chemistry.

RESTRICTED SUBSTANCES LIST (RSL) In 2020, we maintained RSL testing on select styles to ensure chemical compliance. Through testing, we are able to identify core substances of concern in our supply chain and direct our focus on the specific class of substances.

AUDITS Our planned audits did not happen in 2020 due to the COVID-19 pandemic. However, some suppliers have completed a Higg Index FEM self-assessment, through which we are able to track improvement in their chemical management.

CHALLENGES

Due to the pandemic, planned audits have to be rescheduled for 2021. Many suppliers are making slower-than-usual progress in converting to safer chemistry, while those who have completed the conversion were not able to conduct verification in time. Managing a dynamic supply chain requires keeping up with change. This past year, we added two new dyehouses to our supplier list: one in South Korea and one in Peru. Additionally, a third facility already on our list is taking over for one that closed. Audit and verification need to be carried out as soon as conditions permit.

Carbon

OVERVIEW Though the 2020 COVID lockdown temporarily reduced global carbon emission rates, the key measurements used to track global warming continue to rise. The same can be said for the apparel sector, since the industry slowdown in 2020 likely caused a temporary dip in industry carbon emissions. But our focus at EILEEN FISHER is the long-term reduction of carbon emissions through investment in low-carbon products and processes.

In 2019, the total carbon footprint of our products (including RECs, offsets and insets) was 44,023 metric tons of GHG emissions—the equivalent of 890 railcars’ worth of coal burned. We aim to improve on this metric.

PULSE CHECK

GLOBAL

416 parts per million

Carbon dioxide levels are the highest in 650,000 years.

+2.1 °F since 1880

The global temperature is rising, with the last 7 years being the warmest.

EILEEN FISHER

234 railcars’ worth of coal burned

2019 carbon footprint equivalency.

SUCCESSES

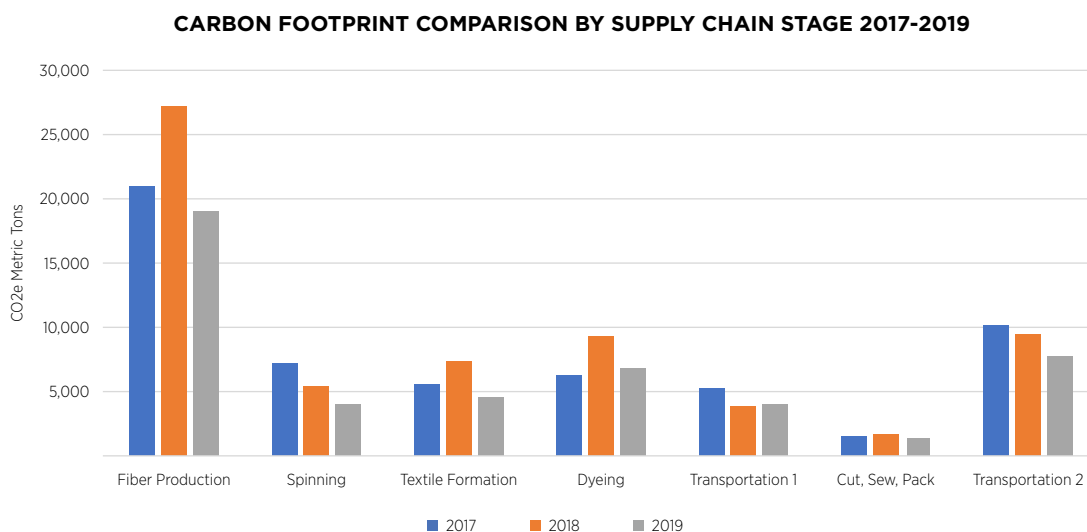
UNDERSTANDING THE CARBON FOOTPRINT OF OUR SUPPLY CHAIN This past year EILEEN FISHER estimated our carbon footprint for 2017-2019, focusing on supply chain impacts. We followed the guidelines of the Greenhouse Gas Protocol for carbon accounting and referenced the Higg Materials Sustainability Index (Higg MSI) for product life cycle impacts. This footprint analysis excludes impacts from packaging, consumer use and the end of life phase.

PRODUCT CARBON FOOTPRINT	2017	2018	2019	2020
Carbon Footprint mt GHGe (raw material to DC)	56,876	64,161	* 47,401	-
Weighted Average GHGe per unit (raw material to DC; excludes use phase and end of life impacts)	11.82	12.96	11.93	-

* Reduced carbon emissions due to decreased units produced, different material mix and shipping by sea vs. air

As the chart below indicates, key carbon emissions impacts across EILEEN FISHER's supply chain come from fiber production, dyeing, and transportation. Our estimates are based on industry data, which remained relatively consistent between 2017 and 2019. In 2018, the emissions from fiber production increased, mostly due to Higg MSI life cycle data being updated for silk fiber production. The 2019 decrease in our fiber production emissions was due to a shift in our material mix, including a decrease in silk, and the decrease in the overall number of units we produced.

EILEEN FISHER collects Transportation 2 data from carriers that ship our product from apparel manufacturing facilities to our distribution center. There are two reasons this data may be higher than industry averages—we ship more goods by air than the industry average and we use a higher air freight emissions factor that includes radiative forcing, a calculation of non-CO2 global warming pollutants.



SCIENCE-BASED TARGETS Science-based targets (SBTs) give companies a clear path for how much and how quickly they need to reduce their greenhouse gas (GHG) emissions in order to meet the goals of the Paris Agreement and limit global warming well below 2°C above preindustrial levels, with the aim of 1.5°C.

OVERVIEW Scope 1 (direct emissions from company vehicles) and Scope 2 (indirect emissions from purchased electricity) collectively make up about 3% of our carbon emissions. Scope 3 (emissions from production and inbound shipping of garments) makes up 97% of our total carbon footprint.

Our commitment: EILEEN FISHER, INC. commits to a 100% reduction of absolute scope 1 and 2 GHG emissions by 2025. We also commit to a 25% reduction of absolute scope 3 emissions from purchased goods and services and upstream transportation and distribution by 2025. Our reduction targets are compared to a 2017 base year.

Scope 2: As the chart below indicates, 100% of electricity used in corporate and retail spaces supports renewable energy through the purchase of Renewable Energy Credits (RECs). Due to building closures during the pandemic, 2020 emissions were 25% lower than the prior year.

GHG EMISSIONS (tons CO₂e)	2015	2016	2017	2018	2019	2020
SCOPE 1						
Corporate Vehicles	-	-	-	8	10	9
SCOPE 2						
Building Spaces	1,805	2,030	2,169	2,091	2,154	1,616
SCOPE 3						
Raw Material to Factory	-	-	46,728	54,732	39,717	-
Inbound Logistics	13,680	10,260	10,148	9,428	7,684	3,051
Outbound/Courier Services	1,385	1,241	906	1,782	2,291	1,521
Business Travel	-	-	-	1,690	821	92
SCOPE 3 TOTAL	15,065	11,501	57,782	67,632	50,513	4,664
SCOPE 1,2,3 TOTAL	16,870	13,531	59,951	69,731	52,677	6,289
RECs (converted to GHGe)	1,805	2,030	2,169	2,091	2,154	1,616
Offsets/Insets	7,600	7,600	7,220	7,390	6,500	3,500
TOTAL GHG EMISSIONS	7,465	3,901	50,562	60,250	44,023	

(Areas with no data were not measured in those years. In 2021, we adjusted airfreight emissions to factor in radiative forcing. As we continue to improve data accuracy explanation to prior year comparisons may differ.)

Scope 3: 2019 emissions were 24% lower compared with a 2017 base year due to a reduction in sales, shifts in our material mix and airfreight reduction. This decrease includes our insetting investment with NativeEnergy.

PROGRESS ON SCIENCE-BASED TARGETS FOR SCOPE 3	2017	2018	2019	2020
Scope 3 Total GHGe MT	57,782	67,632	50,513	-
		Δ GHGe from 2015		
SBT Goal	Baseline	3.125% ↓	6.3% ↓	9.4% ↓
Actual GHGe Change		17% ↑	13% ↓	-
Including Inset Investment		4% ↑	24% ↓	-
Total GHGe with Insets		60,242	44,013	-

REGENERATIVE AGRICULTURE & CARBON SEQUESTRATION In 2019, working with carbon offset provider NativeEnergy and the regenerative farming network Ovis 21, EILEEN FISHER embarked on a project in support of regenerative wool farming and carbon sequestration. The initiative provides up-front capital to farmers and ranchers who adopt regenerative land-management practices to improve local ecosystems and biodiversity, which supports the soil health that sequesters carbon. The program is now fully operational and attracting investments from other apparel brands.

CHALLENGES

REDUCED RESOURCES Due to the lack of human and financial resources in 2020, EILEEN FISHER made the difficult decision to cut back on the detailed measurement of our carbon footprint.

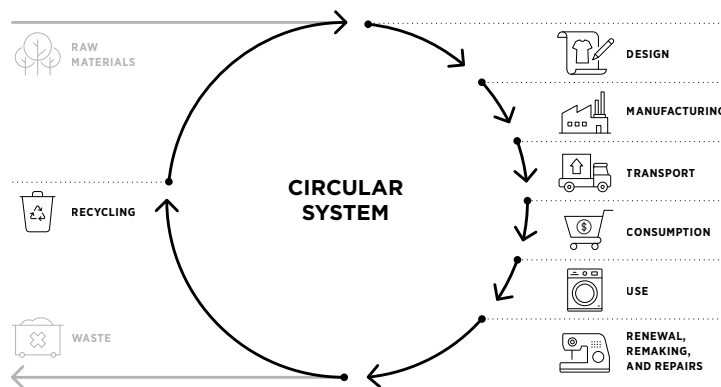
For the near future, we will focus on the key areas where we can make the most impact in improving carbon emissions. This includes material choices, industrial processes and development of our Circular by Design initiative, which encompasses our Renew and Waste No More efforts.

We recognize the importance of industry collaboration, and even with limited resources, we will do our best to work with others in support of renewable energy programs in the supply chain.

DATA Measuring progress requires appropriate metrics and data that are valid and reliable. Our data is often imperfect, and we rely on secondary industry Life Cycle Assessment and proxy data to calculate our impact—which may not entirely reflect our supply chain. We understand this might create flaws in our carbon accounting and continue to work on improving data integrity in our internal processes, as well as with industry partners that can help us gather more precise primary information.

Waste

OVERVIEW Since 2009, EILEEN FISHER has been asking our employees and customers to bring back their previously worn clothes so that we can keep as many of them from entering the textile waste stream as possible. To date, we have reclaimed 1.5 million EILEEN FISHER garments and have developed two primary business streams with the clothes we've collected: EILEEN FISHER Renew and Waste No More.



SUCCESSES

RENEW EILEEN FISHER Renew is the first stop along the circular path for our previously owned clothing. We paused our take-back program last spring, both out of a concern for safety and because many of our stores were closed. In 2020, we took back 130,000 items (about half the amount collected in 2019). We were able to resell 31% of these clothes (vs. 43% in the prior year). Notably, our indigo overdyed inventory (which uses natural indigo dye to recolor stained or discolored Renew items) has continued to be a standout performer, selling out in a few days in August. And we began discussions with cleaning innovator Tersus, who is not only able to provide waterless cleaning but can also sort our clothing, an increase in efficiency. Tersus uses a technology that relies on liquid CO₂, eliminating the use of both water and heat, which reduces the consumption of natural resources and lowers the carbon footprint, further reducing the impact of EILEEN FISHER Renew's take-back program.

WASTE NO MORE The garments that can't be resold or remade through our Renew project are saved for EILEEN FISHER's signature felting program, Waste No More (WNM). In 2020, we used 5,000 damaged garments to make 1,900 WNM wall hangings, pillows and accessories. These one-of-a-kind items were sold through the EILEEN FISHER website and pop-up shop, as well as a one-time partnership with retailer West Elm. We also created a 900-square-foot wall installation for a Miami office building. Each of these items embodies our circular design story and the possibility of eliminating post-consumer apparel waste. While this program remains

small, the Waste No More team continues to innovate with an eye toward expansion, using its platform to raise awareness of—and educate our customers about—the potential for a circular production system.

CHALLENGES

Despite these successes, 2020 remained a challenging year for EILEEN FISHER Renew and Waste No More. Due to store closures and COVID-19 guidelines, we were unable to host our popular Not-Quite Perfect (NQP) sales. Our Renew website, warehouse and stores were closed for extended periods. We furloughed staff and ultimately lost 20% of our team due to company restructuring. We were also unable to continue exploring innovative fiber-to-fiber recycled fabrics during this period. This resulted in excess inventory of post-consumer clothing, for which we are still trying to find solutions.

Similarly, the Waste No More team lost two-thirds of its staff and did not have access to the public spaces in which the products had previously been exhibited, resulting in lack of business development, special projects, trade show participation and broader education for our customer.

Supply Chain

OVERVIEW EILEEN FISHER takes pride in our supply chain, which has been carefully sourced through an ongoing partnership between our Supply Chain Management and Social Consciousness teams. Using our Social and Environmental Integration Guide (SEIG) as a resource, we identify suppliers that meet our minimum standards and are willing to continuously improve their practices. Our updated supplier list can be found on the EILEEN FISHER website.

SUCCESSSES

AUDITS AND VERIFICATIONS In 2020, we worked with 34 finished-goods suppliers. Although pandemic-related restrictions meant we were unable to audit any suppliers in person, we checked in with all of them regarding the health of their workforce and the pandemic’s impact on their business. In light of the unique circumstances brought on by the global pandemic, EILEEN FISHER remained committed to completing all previously placed orders, even though our business was severely disrupted. Going forward, we are reducing our inventory, which will result in lower orders for our suppliers across the board.

WORKER WELL-BEING While the global pandemic left us unable to conduct in-person assessments or mobile-phone surveys, we did wrap up the two-year Worker Well-Being and Occupational Health and Safety (OHS) training program that took place in the workplace of our core sweater supplier in China. This program, conducted in partnership with **Verite**, trained over 400 factory employees, resulting in self-reported improvement in job satisfaction and a sense of connection and support within the workplace.

SPS TOOL We have developed a proprietary Social Product Score (SPS) tool to determine how much EILEEN FISHER product is produced in socially responsible factories. In 2020, the percentage of units made at socially responsible factories rose by 1.4% to 17.5% overall. This small increase was due entirely to our woven and sweater facilities; none of our knit facilities met the criteria, primarily due to supply chain shifts.

% OF PRODUCTS (UNITS) THAT MEET SPS 1.5 CRITERIA

	2017	2018	2019	2020
Overall	13.0%	16.5%	16.1%	17.5%
Knits	11.8%	11.9%	0.7%	0.0%
Wovens	0.2%	3.5%	10.5%	12.3%
Sweaters	1.1%	1.1%	5.0%	5.2%
	2017	2018	2019	2020
Responsible Knits/Knits	29.1%	27.8%	1.5%	0.0%
Responsible Wovens/Wovens	0.5%	10.0%	31.2%	33.6%
Responsible Sweaters/Sweaters	4.2%	5.0%	22.2%	24.9%

HIGG FSLM In 2020, we asked our first-tier suppliers to complete the **Higg Index Facility Social Labor Module (FSLM)** for the first time. Seven suppliers completed it, and two of those engaged third-party entities to verify their results. Going forward, the FSLM will be EILEEN FISHER's standard collection tool for social data and will be requested of all first-tier suppliers, outside of Indonesia and Vietnam. For facilities in Indonesia and Vietnam, social data will be collected through our participation in the ILO Better Work program. Social Accountability International (SAI) has developed a scoring algorithm that will draw from both tools for more consistent and standardized reporting going forward.

HIGG FEM As part of our Social and Environmental Implementation Guide (SEIG), we ask EILEEN FISHER suppliers to utilize the Higg Facility Environmental Module (FEM), an industry platform. Operated by Higg Co in partnership with the Sustainable Apparel Coalition, this comprehensive environmental self-assessment tool allows for third-party verification. It provides a continuous improvement pathway for our suppliers, informs our own sourcing practices and helps identify areas of risk and opportunity.

Our suppliers tell us the FEM helps them clearly see progress being made, as well as areas that need improvement. Version 3.2, released in November 2019, is more complex with deeper analysis than previous versions. It requires more due diligence and can be used to set targeted plans that aim toward higher sustainability goals.

Apparel Manufacturers (Tier 1): Twenty of our apparel manufacturing suppliers are in process or have completed the Higg FEM for 2020, accounting for **49%** of the total number of units we produced. Additionally, 18 of these facilities have energy efficiency programs in place, and three have renewable solar energy on site.

Mills and Dyehouses (Tier 2): Eight of our material processing suppliers are in progress on or have completed the Higg FEM for 2020, accounting for **16%** of the total number of units we produced.

Our goal for 2021 is to have more than half our suppliers utilizing the Higg FEM tool, including suppliers from additional tiers of the supply chain.

ARTISAN COMMUNITIES Our work with **Nest**, creating and implementing tools to address the particular needs of our artisan communities, continued in 2020 in partnership with Social Accountability International. Together, the two organizations proposed substantial revisions to the EF Social and Environmental Implementation Guide to reflect the realities of the artisanal supply chain. These revisions will be formally rolled out in subsequent years as new suppliers are on-boarded.

CHOOSE HANDLOOM PROJECT Our NGO partner **SEWA (Self-Employed Women's Association)** worked closely with our artisan supply chain in Fulia (West Bengal), India, to provide food kits to the artisan communities affected by the global pandemic. Although our overall orders were lower than anticipated for 2020, we honored our production agreements and completed all outstanding orders. We also began winding down the Choose Handloom Project by transferring the project to the Eileen Fisher Foundation in August 2020.

XINJIANG UYGHUR FORCED LABOR EILEEN FISHER takes seriously the media and industry reports of possible forced labor in cotton supply chains in China's Xinjiang Uyghur Autonomous Region (XUAR). We are a signatory of the Coalition to End Forced Labor in the Uyghur Region and have committed to exit the Xinjiang region at every level of our cotton supply chain by the end of 2021. Until there is clear evidence of change in this region, our ban on cotton sourced there will continue to be a core policy. If cotton from this region is found, our suppliers must work with us to identify an alternative from ethical sources or risk losing our business. We do not source finished garments or fabrics from suppliers located in the Xinjiang region. Recently, we conducted further due diligence to understand our indirect risks in Xinjiang based on the guidance in the Center for Strategic and International Studies report. We are working diligently on addressing these indirect risks.

CHALLENGES

RESPONSIBLE SOURCING AND LIVING WAGE The global pandemic caused many disruptions in our supply chain, including temporary factory closures, disruptions in transportation, delays in the completion of finished product and delays in materials manufacturing. Additionally, the company's significant reduction in retail sales resulted in massive inventory backlogs. This meant lower production orders for the remainder of 2020. Altogether, this left us no opportunity to push forward new responsible sourcing or living wage initiatives.

ENVIRONMENTAL The environmental impacts of apparel supply chains are vast—air and water pollution, waste, toxins, loss of biodiversity and carbon emissions from energy use and transportation. We take a holistic view of these challenges, doing our best to focus on the hot spots, such as raw material production and textile manufacturing. In our view, there is always opportunity for improvement.

TRANSPARENCY & TECHNOLOGY We want EILEEN FISHER partners and customers to know more about our products, including their origins and impacts, and we're investigating technology to aid this process, including:

- Exploring block chain technology to verify the origins of materials and sourcing practices of suppliers.
- Leveraging data from the Higg FEM to better evaluate industrial processes and improve our product development.

PRODUCT PACKAGING While we've updated our product packaging, we have not eliminated the use of plastic bags. We use only 100% recycled plastic packaging and continue to research alternative materials for both low-impact production and end-of-life impacts.

We are committed to collaborating with industry partners to help suppliers access the tools and training needed to cultivate vibrant and resilient communities.

Product Life Cycle

OVERVIEW In 2020, our Product Life Cycle (PLC) initiative continued to move forward, establishing a comprehensive cross-functional calendar at the center of the company's work. In ongoing partnership with **Better Buying** and **Harvard SHINE**, we continue to prioritize increasing efficiencies internally, while also paying attention to the impact of our own processes on the well-being of factory workers in our supply chain.

SUCCESSSES

PRODUCT LIFE CYCLE CALENDAR The primary tool we use to drive process change is what we refer to as our "Product Life Cycle (PLC) Calendar." The PLC calendar plots every step and decision point from the inception of product through to customer purchase. While we continued to utilize and evolve this tool in 2020, we were not able to implement true process change, due to the business disruptions caused by the global pandemic.

SAMPLE REDUCTION One positive outcome of the global pandemic is that we reduced our sample volume by 77% over our 2019 volume. This was due to three primary shifts in 2020:

1. Our line development volume decreased 40-50% as we worked toward the concept of "Line as a System (LAAS)," repeating successful designs and shapes across monthly deliveries.
2. We moved to a virtual showroom experience (as opposed to a physical showroom) that requires only two sets of samples instead of four or five.
3. We closed our five regional showrooms (Canada, the United Kingdom, Dallas, Atlanta and Los Angeles), eliminating the need for samples across those locations.

CHALLENGES

BETTER BUYING INITIATIVE Our participation in the Better Buying Initiative has been an important source of anonymous data from our suppliers about the impact of our purchasing practices on worker well-being. Due to the pandemic, the annual survey cycle was postponed from October 1, 2020, to April 1, 2021. However, Better Buying issued a special survey on "better" cost negotiation. The aggregated results were shared with EILEEN FISHER and all participating brands.

HARVARD SHINE 2020 was meant to be Year 2 of a three-year research project to further understand the connection between our purchasing practices and worker well-being in our supply chain, but the program was forced into a hiatus when it became clear that factory travel was not possible. We will revisit it in 2021 to determine the best way forward.

BENEFIT 2

An Inclusive Workplace:
We are committed to creating an inclusive workplace that respects and honors differences in gender, age, race, ethnicity, religion, sexual orientation and political views.

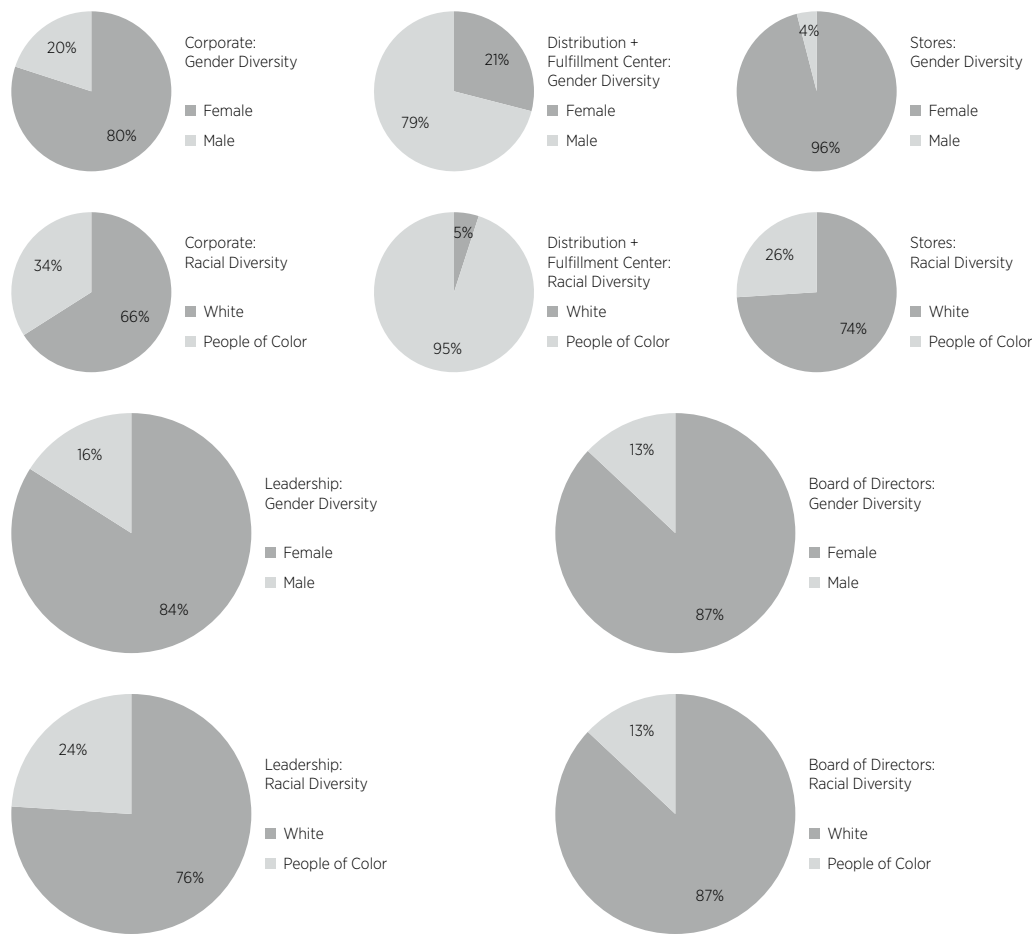
Overview

Our Inclusive Workplace Statement reads as follows:

At EILEEN FISHER, we strive to create an inclusive and respectful workplace. We all benefit when we work in an environment where our differences are valued. We all succeed when we are respected, supported and valued for who we are. We all thrive in a culture of inclusion.

Our values—we are authentic, we thrive in connection, we trust each other, we innovate through creativity, we are committed to the health of the whole and we are united by purpose—pave the way to a culture of inclusion, but we must also work to nurture and safeguard our culture.

Here is a snapshot of the people at EILEEN FISHER in 2020:



SUCCESSSES

DIVERSITY, EQUITY AND INCLUSION TEAM Building on our renewed efforts in 2019, we expanded our thinking about these issues and revised the scope of responsibility for the Diversity & Inclusion team, renaming it the Diversity, Equity & Inclusion (DEI) Team and adding members to ensure it is a diverse and representative body. In addition, we added a steering committee and two employee working groups: Building an Inclusive Culture and Education and Information. We created our first DEI annual report, which was distributed internally to all staff, and launched a DEI team page on our company intranet. Finally, we made the decision to honor Juneteenth as one of our annual company-observed holidays.

EMPLOYEE OUTREACH Following the tragic death of George Floyd in the summer of 2020, CEO Eileen Fisher and her then co-CEO Jonci Cukier issued a poignant message to employees renewing their commitment—and that of the company—to the hard work of diversity, equity and inclusion. This message was bolstered by fishNET (our Intranet) messaging acknowledging the country's racial justice events and providing resources for employee support. Our DEI Steering Committee worked closely with the Social Media team to ensure consistency in our messaging, internally and externally. We also held a series of roundtables with Black employees to hear and understand their lived experiences inside EILEEN FISHER. These were followed by company meetings on race and inclusion, facilitated by Mary-Frances Winters, founder of the Winters Group. The Winters Group had also facilitated DEI training earlier in the year for our Leadership Forum members and half of our retail store leaders.

WORKPLACE INCLUSION The events of 2020 inspired us to reimagine an inclusive workplace while connecting digitally. For those employees who work in office settings, we fully embraced remote work arrangements and offered suggestions and resources on fishNET for how to practice self-care. We also offered a series of wellness and self-care days throughout the summer months—in part, as the result of the stress of the racial justice protests around the country. And we offered four sessions of a respectful workplace workshop for leaders and employees in our warehouse in 2020. This in-person interactive workshop leveraged our values to address common challenges in stressful work environments that lead to experiences and feelings of disrespect. The workshop was built in-house and influenced by employee feedback. Post-workshop feedback affirmed that the topic was timely, the content addressed important concerns and the session provided relevant resources for building a respectful workplace. Importantly, the workshop empowered both individual contributors and team leaders to take a proactive stance. Following the protests, we created a resource page for employees and held a company-wide gathering of remembrance and reflection in honor of George Floyd, Breonna Taylor and many other Black victims of police brutality.

INCLUSIVE WORKPLACE POLICY An important aspect of re-establishing workplace inclusion at EILEEN FISHER was to create an Inclusive Workplace Policy. This policy, which has been incorporated into our employee handbook, outlines four commitments: 1) creating employee affinity groups; 2) monitoring and addressing diversity among our leadership; 3) ensuring that BIPOC candidates are included in all candidate pools, beginning with leadership roles; and 4) building relationships with Historically Black Colleges and Universities over the next five years. We also created a robust incident tracking form that provides a consistent and standard procedure for reporting and addressing all internal complaints related to potential harassment, abuse or discrimination.

CHALLENGES

COMPANY RESTRUCTURING The global pandemic exacerbated an already challenging economic environment for EILEEN FISHER. With retail sales down significantly, we underwent three rounds of staff reductions, losing nearly one-third of our workforce. We also paused most recruiting, except for essential hiring. As a result, some of our DEI work—implementing our recruiting commitment, for example—was paused while we restructured the company.

TALENT ACQUISITION Although we experienced limited hiring in 2020, we maintained our membership in DiversityJobs.com and tapped into HBCUConnect.com and the National Association of Black Accountants to post essential finance openings. We also have a team working to increase the diversity of our talent sourcing by developing relationships with BIPOC professional organizations like BRAG (Black Retail Action Group). We've also structured our interview process to ensure all future candidates are assessed in an equitable and consistent manner.

Benefits & Wellness

OVERVIEW EILEEN FISHER has been 40% employee owned since 2005, when we established our Employee Stock Ownership Plan (ESOP). As part of this arrangement, the company is required to repurchase some ESOP shares on an annual basis. In 2020, those repurchased shares—from former employees or those eligible for diversification—totaled \$805,984.82.

While our core benefits remained intact in 2020, we paused the Wellness and Education Program in April, as the company addressed serious financial shortfalls and loss of business during the global pandemic. And although we furloughed a large percentage of the workforce for several months, we were able to maintain medical and dental benefits for everyone during that time.

SUCCESSSES

OFFBOARDING In 2020, we were faced with the reduction of nearly one-third of our staff. To offboard these staff members as compassionately as possible, the company offered benefits packages and career resources—and had open, honest conversations with each individual. This approach is in line with our core values of authenticity and kindness.

CHALLENGES

BENEFITS AND SALARIES Though overall business was down significantly and there were substantial reductions in our workforce, the company continued to operate with minimal resources. We paused wellness and education benefits, reduced all salaries in spring through the remainder of 2020, and the resulting workload strain further challenged employee morale.

ORIENTATION Having virtually no new hires in 2020, we did not hold any new-employee orientations.

STORE LEADER MEETINGS With travel at a standstill and disruptions in our store operations, we did not hold any store leader meetings last year. However, we did hold some Town Halls to share company updates, and we intend to restore our regular cadence of store leader meetings in 2021.

BENEFIT 3

Business for Good:
We believe in conducting business in ways that empower women and girls, support the fair treatment of all people and preserve the environment.

Overview

In light of the extraordinary business challenges facing EILEEN FISHER in 2020, we paused all of our grant-making and donation programs for the year and reimagined how to support our communities during this unprecedented time.

SUCCESSSES

CORPORATE PHILANTHROPY Since we were unable to make financial contributions in 2020, we instead made donations of EILEEN FISHER masks and EILEEN FISHER Renew product. We donated 3,876 masks (produced on-site in our Irvington, New York, sample room) to multiple organizations serving essential workers and at-risk populations:

- Free Arts for Abused Children—Adult and children’s masks were provided to homeless families residing in the New York City shelter system.
- Front Line Appreciation Group (FLAG)—Masks were provided to essential workers providing food, education and healthcare services.
- Mount Sinai Hospital—Masks were made available to employee donors of blood and plasma in the fight to treat COVID-19 patients.
- The Irvington Police Department—Members of the police force had continued to work through the early weeks of the pandemic without access to masks until the EILEEN FISHER team provided masks to them.
- White Plains Hospital—EILEEN FISHER provided a few hundred masks and hospital gowns for the medical staff at White Plains Hospital in the spring of 2020, when they were unable to acquire the gowns through their regular supply chain.

Additionally, we donated 55,000 units of EILEEN FISHER Renew product to 17 social service agencies, women’s shelters and other community organizations in the New York metropolitan area.

CHALLENGES

Due to our business challenges, we were unable to advance our **Supporting Women in Environmental Justice** grant program in 2020. We hope to restore this program in the near future.

GIVING CAMPAIGNS AND IN-STORE EVENTS While some of our stores had local events in the earliest months of 2020, all of our stores were closed for several months due to COVID-19 restrictions. As a result, we suspended our traditional spring and fall events—and all giving campaigns—for the entire year.

BENEFIT 4

We strive to work collaboratively and transparently with other companies in the fashion industry to advance ethical business practices.

Overview

At EILEEN FISHER, our work goes well beyond the walls of our company and factories. We believe that meaningful and lasting change happens best through collaboration and mutual sharing. This is how we approach “Business as a Movement.”

SUCCESSES

PARTNERSHIPS In 2020, we partnered with the following 33 organizations to advance our environmental and social impact work:

American Sustainable Business Coalition	MIT Solve
B Lab	NativeEnergy
Better Buying Initiative	Nest
Better Work Vietnam and Indonesia	New York University’s Center for Responsible Business
bluesign	Open Apparel Registry
Brown and Wilmanns	Organic Cotton Accelerator
Canopy	Pentatonic GMBH
Ceres’ Business for Innovative Climate and Energy Policy (BICEP)	Preferential Tariff Project
Chief Executives for Corporate Purpose	Savory Institute
Circle Economy’s Switching Gear Enabling Network (SGEN)	Science Based Targets Initiative
Coalition to End Uyghur Forced Labor	Social Accountability International
Fashion Positive	Sustainable Apparel Coalition
Fordham University’s Responsible Business Coalition	Social Venture Circle
Harvard SHINE	Textile Exchange
International Corporate Accountability Roundtable (ICAR)	Trove
Leather Working Group	Ulula
	World Resources Institute’s Market Makers
	Verite

BRAND AND STUDENT CONVERSATIONS We've supported at least 20 other brands in their sustainability pursuits through brand-to-brand phone calls or in-person meetings. We also held one group webinar for college and post-graduate students seeking to learn about our Social Consciousness practices.

ADVOCACY Policy advocacy continues to be a key part of our strategy to have meaningful impact beyond the borders of our company. In 2020, we took action on four broad issues: carbon, wages, COVID relief and voting rights.

- November Together with Business for a Fair Minimum Wage, we supported Florida's Amendment 2, which seeks to gradually raise the **state minimum wage to \$15 per hour** by 2026.
- September We signed on to the **New Yorkers for the Transportation and Climate Initiative** letter, sent to Governor Cuomo and asking for legislation that would reduce vehicle pollution, improve air quality and modernize the region's transportation system.
- July We called on Congress to support **clean energy in COVID relief and recovery**, by joining over 30 companies in signing a letter authored by the Environmental Defense Fund.
- June Together with over 30 businesses, we signed on to a letter supporting the **Multi-State Medium- and Heavy-Duty Zero Emission Vehicle initiative**, written and disseminated by Ceres.
- April Through Business for America, we participated in a social media campaign to encourage Congress to fund **secure absentee ballots** and **safe polling places**.

SPEAKING AND CONVENING The Social Consciousness team and colleagues made 43 presentations at industry gatherings, university classes and conferences, almost all of them virtual due to the pandemic. Last year, Eileen continued to be a leading voice in the world of sustainable business, with over 35 appearances on podcasts and at major industry gatherings. Some highlights include the Business of Fashion's panel, How to Build a Responsible Fashion Business, *Entrepreneur's* podcast, *How Success Happens*, *Fortune's* podcast, *Leadership Next*, *Inc.'s* podcast, *What I Know* and *Vogue Business* x Google Summit's panel, The Future of Sustainable Fashion.

CHALLENGES

Losing key team members and colleagues across the company made it difficult to fulfill many requests for speakers at industry gatherings. We also lost our entire transparency team and have distributed their responsibilities to others inside the company, so we are only able to keep up with existing commitments and cannot build on our traceability objectives.

Additionally, we were unable to host the annual We the Change gathering for **Women B Corp CEOs**, since travel was restricted and all "live" events were put on hold. Instead, the event was successfully moved online and facilitated by leaders.

Final Word

While our progress may have slowed in 2020, this past year did nothing to diminish our commitment to our four stated Benefits. We will continue searching for opportunities to reduce our environmental and social impact, create an inclusive workplace, collaborate within the industry and make a positive difference. Because we believe business really can be a movement.