

2022 Benefit Corporation Report

EILEEN
FISHER

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Letter from Eileen and Lisa

Dear Friends,

It is our great pleasure to share the EILEEN FISHER 2022 Benefit Corporation Report with you.

For many reasons, 2022 will be remembered as a pivotal year for the company. It was the year that we transitioned company leadership from Eileen, our founder, to former Patagonia executive Lisa Williams—the company’s first externally hired CEO since the early 1990s. Lisa’s highly collaborative approach, combined with her deep connection to environmental sustainability and social justice values, has allowed Eileen to pass the baton with confidence.

It was also the year we regained our financial stability, following the acute impacts of the global pandemic. EILEEN FISHER’s resilience as a purpose-driven brand was made possible by the extraordinary commitment of our customers and employees.

We also collected our 2 millionth garment through our Renew take-back program, EILEEN FISHER’s first step in its circular design model. Again, this would not have been possible without the full participation of our customer and employee communities.

Where does this lead us? It’s clear that, in our sixth year as a New York State Public Benefit Corporation, EILEEN FISHER remains as committed as ever to being a force for good: providing benefit to people and planet, while retaining our financial viability. To all of our customers, employees and business partners, we thank you for making this possible.

Eileen Fisher
Founder and Chief Creative Officer

Lisa Williams
CEO

Our Purpose and Values

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.

2022 at a Glance

81% of our raw materials met third-party sustainable criteria.

73% of materials were processed using safer chemistry.

EILEEN FISHER launched an interactive supplier map on Open Supply Hub.

We tracked 92% of our apparel manufacturers' energy sources.

Several employee benefits that were suspended due to the financial impacts of the COVID-19 pandemic were restored.

EILEEN FISHER supported eight policy initiatives in support of climate action, reproductive health, responsible business and voting rights.

Our circular design model (First Life, Second Life and Third Life) was published on eileenfisher.com.

Benefit 1

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

Product

EILEEN FISHER is committed to making products responsibly. That means designing into longevity, recyclability and reuse—right from the start. We call the three stages of our clothing First Life (EILEEN FISHER products made from new materials), Second Life (reused and repaired items collected through our Renew take-back program) and Third Life (upcycled items and downcycled fibers). By extending the life cycle of our clothes, we can work toward a circular model where simplicity and sustainability are embedded throughout.

SIMPLICITY Our line is designed as a system of simple shapes that work together effortlessly, season after season. Our clothes are timeless, which means they never go out of style, and are made with quality materials that last. Our signature shapes are easy and designed to fit a diverse range of sizes and body types. Simple shapes are also easier to repair and upcycle, preserving the value of the materials beyond their first life.

SUSTAINABILITY We integrate sustainable business practices into our operations and supply chains, working with established third-party verification partners to validate our performance. We maintain our status as a certified B Corporation and use the Higg Index to help identify and address sustainability risks and opportunities.

SUCSESSES

BRAND SUSTAINABILITY ASSESSMENT The Higg Brand and Retail Module (BRM) is a comprehensive assessment tool for evaluating environmental sustainability and social impacts across an organization's entire value chain. Scores for 2022 will not be finalized until 2023.

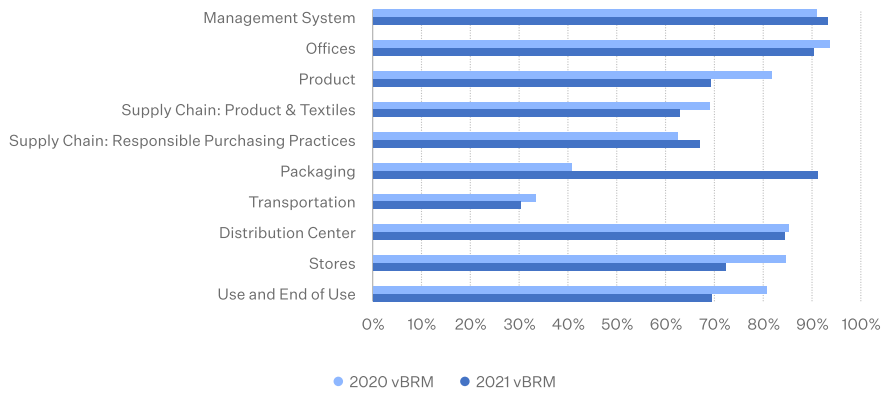
For the last two years EILEEN FISHER has engaged independent auditing firms to verify our Higg BRM results. Although the increased rigorousness of the assessment caused overall scores to decline, certain scores increased:

MANAGEMENT PRACTICES Our scores went from 91% in 2020 up to 93% in 2021. This was due, in part, to the launch of a Materiality Assessment, as well as the verification of our carbon footprint methodology and renewed focus on the Product Lifecycle Calendar to bring goods to market on the slowest transportation method available.

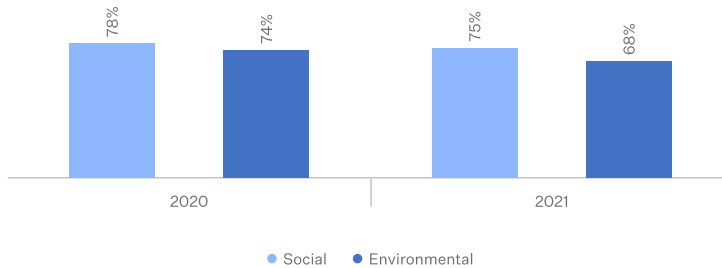
RESPONSIBLE BUSINESS PRACTICES Our scores increased from 63% to 67% thanks to the implementation of feedback from suppliers via Better Buying. See Better Buying in the Supply Chain section for more details.

PACKAGING In 2020, we began transitioning to recycled plastic bags when shipping orders from global factories to our US distribution center. By 2022, this program was fully in place, which is reflected in the clear improvement of our packaging scores (91% up from 41%).

Life-Cycle Scores for 2020 & 2021 vBRM



Higg Brand & Retail Module 3rd Party Verified Scores



GARMENT CLEANING Washing and drying clothes can have a high environmental impact due to the use of energy, water and detergents. We take this into consideration when selecting materials. In both 2021 and 2022, approximately 84% of styles could be hand or machine washed and line dried, reducing the amount of water and energy required to care for them.

CHALLENGES

PRODUCT ENVIRONMENTAL FOOTPRINTS The latest Higg BRM Assessment recommended that we expand our carbon footprint methodology to track other environmental impacts such as water and waste.

CIRCULAR DESIGN & END OF USE Although EILEEN FISHER has created significant programs to recycle and reuse garments at the end of their useful life, we’re still building out a strategy that accommodates the next life for products with multiple fiber blends.

Materials

In 2022, we continued to build on our strengths in material sourcing by prioritizing both organic fibers grown without synthetic chemicals and regenerative fibers that promote the health of people and planet by supporting soil health, biodiversity, clean water and carbon sequestration.

As part of our commitment to end-of-life innovation, we piloted a new textile-to-textile recycling program, turning damaged clothing from our Renew take-back program into yarn for new knits.

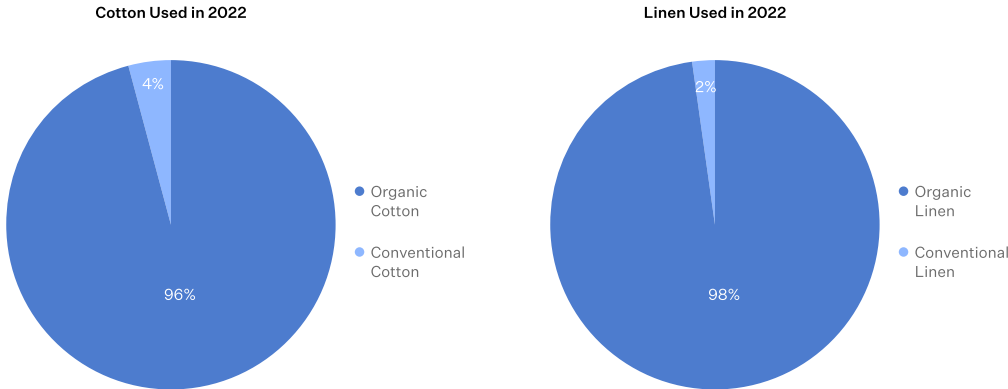
SUCCESSSES

PREFERRED FIBERS & MATERIALS

81% of the raw material sourced in 2022 met third-party sustainability criteria, including Global Organic Textile Standard, Global Recycled Standard, Canopy’s Hot Button Ranking, Forest Stewardship Council, Responsible Wool Standard, Savory Land to Market verification and Regenerative Organic Certified®.

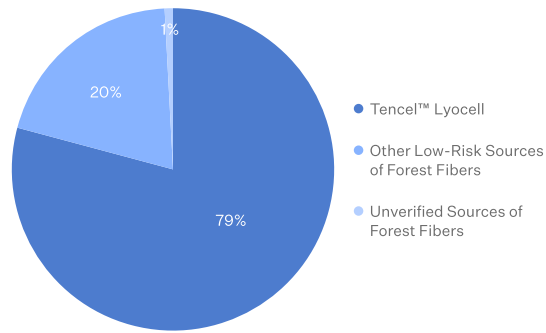
In 2022, our three most-used fibers by volume across the company’s product line were organic cotton, organic linen and Tencel™ Lyocell.

ORGANIC COTTON AND LINEN In 2022, 99.6% of our cotton products were produced with either organic or recycled fibers. This represents a huge commitment to reducing harmful chemicals and supporting the health of farm workers. In addition, 97.9% of our linen was organically grown.



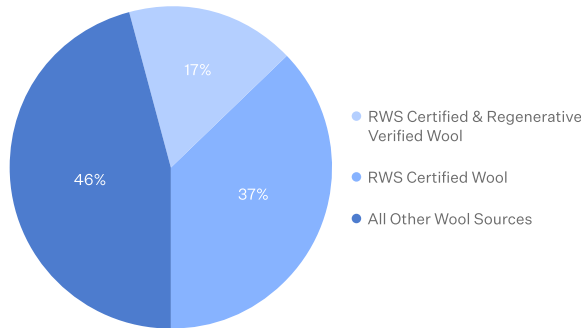
VISCOSE AND TENCEL™ LYOCCELL WITH RESPONSIBLE FORESTRY EILEEN FISHER has been a long-time supporter of the CanopyStyle initiative to protect ancient and endangered forests. In 2022, 99% of our man-made cellulosic fiber (MMCF) was at low risk of being sourced from ancient and endangered forests; Tencel™ Lyocell accounted for 79% of that product.

Forest Fibers Used in 2022



RESPONSIBLE AND REGENERATIVE WOOL In 2022, 54% of our wool was certified to the Textile Exchange Responsible Wool Standard (RWS), which ensures that farmers meet animal welfare and land management requirements. Regenerative Wool, which accounted for 32.3% of the company’s Responsible Wool, uses rotational grazing and holistic management practices to improve human and planetary health. (For additional details see Carbon.)

Wool Used in 2022



CIRCULARITY In 2022, EILEEN FISHER partnered with The New Denim Project, an innovative mill in Guatemala, to make sweater yarn out of 2000 pounds (4500 units) of damaged cotton blend garments from EILEEN FISHER’s take-back program.

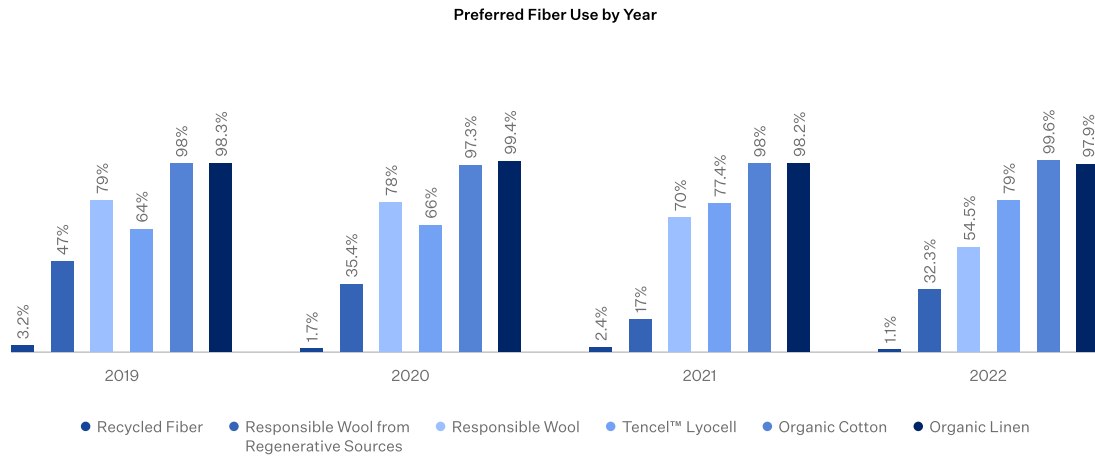
FIBER PLANNING Supply Chain Management and the Fabric Research & Development teams created strategies to expand usage of eco-preferred fibers and plan production carefully to use the least carbon-intensive shipping method.

CHALLENGES

RECYCLED FIBERS In 2022, only 31% of our cashmere came from fibers that were recycled from used garments and pre-consumer textile waste. Recycled fiber accounted for 47% of our polyester, 11% of nylon and 0.2% of cotton. We would like to continue to increase our use of recycled fibers while maintaining our quality standard.

RESPONSIBLE WOOL STANDARD (RWS) Due to product assortment shifts in 2022, wool sourced from RWS certified farms was reduced by 16% from 2021 to 2022. To meet the challenges of assortment shifts in the future, we are converting a broader selection of wool materials to RWS certified.

REGENERATIVE WOOL We hope to continue expanding our use of regenerative wool, which largely depends on the growth of this movement globally and the willingness of farmers to adopt regenerative practices.



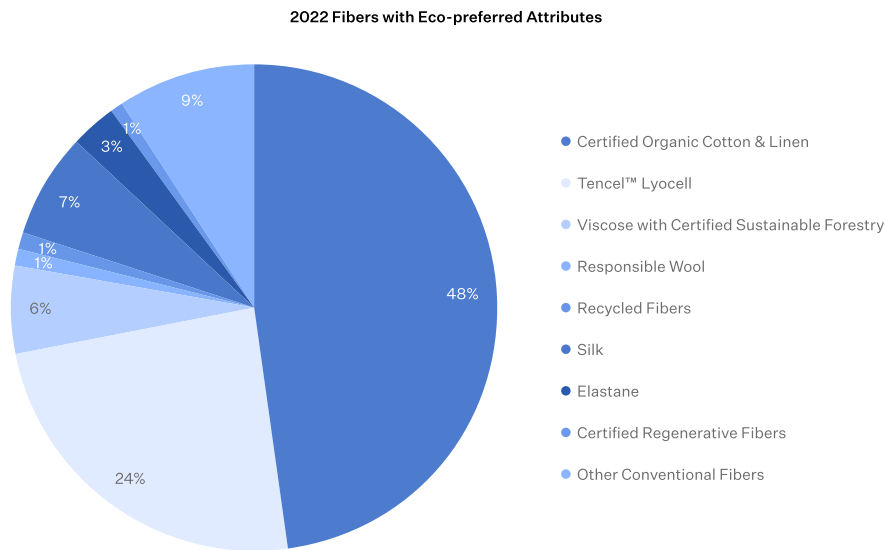
Chemistry

At EILEEN FISHER, we work to avoid using any substances that are known or suspected to be harmful to human health and the environment. Across our value chain, we focus on two key impact areas: eco-preferred fiber selection and dyehouse manufacturing processes.

In 2022, organic cotton and linen fiber made up 48% of our production, up 5 points from 2021. By sourcing from organically managed farms, we can reduce the use of harmful chemicals. At wet processing facilities where our products are dyed and finished, we encourage our suppliers to continuously improve chemical management practices and phase out hazardous substances.

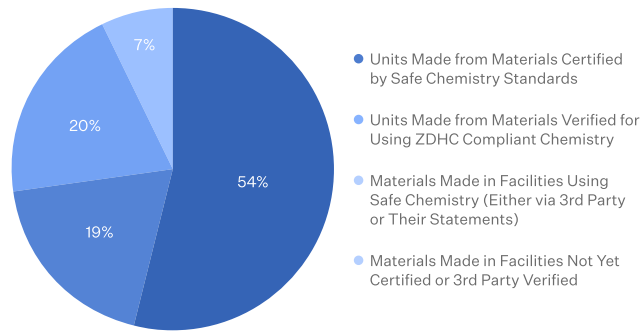
SUCCESSSES

TOXIC REDUCTION AT THE FIBER LEVEL In 2022, 75% of the total units we produced were made with fibers that support low toxicity inputs (organic or regenerative farming practices) and closed-loop production systems (Tencel™ Lyocell, recycled fibers)—our highest percentage to date with an increase of 2 points from 2021.



SAFER CHEMISTRY IN THE MANUFACTURING PROCESS We have been working closely with wet processing facilities to adopt recognized industry chemistry standards and increase safer chemistry usage, thus resulting in an overarching reduction of toxic chemicals across our supply chain operations. We continue to encourage our vendors to adopt approved safe chemistry programs, as illustrated below.

Material Safe Chemistry Break Down



Note: 54% of our units met safe chemistry standards through the use of materials that are certified by bluesign®, Standard 100 by OEKO-TEX® and other industry accepted programs. Additionally, 19% of materials were processed in facilities verified for using chemicals compliant with Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL). Among the remaining 27% of materials, 20% were made in facilities that use safe chemistry, either certified by a third party or per their statements. For those facilities that produce materials without third-party certification or verification, EILEEN FISHER tests representative samples of products to ensure they are compliant with the company's RSL (Restricted Substances List) requirements.

To address the chemicals in our supply chain, we have created a set of Chemical Management Guidelines, which we share with our suppliers. These guidelines identify specific chemicals of concern as well as a [Restricted Substances List \(RSL\)](#); we've also adopted the bluesign® [System Black Limits \(BSBL\)](#) which functions as an MRSL.

PHASE-OUT OF POLY- AND PERFLUOROALKYL SUBSTANCES (PFAS) We have been taking steps to move away from Durable Water Repellent (DWR), a fabric coating made from PFAS. In 2022, we identified the remaining materials in our supply chain that were still using PFAS DWR and developed a replacement with no DWR or with approved non-PFAS repellent. By 2023, we will phase out use of DWR entirely.

CHALLENGES

The overall percentage of EILEEN FISHER materials that met a safe chemistry standard kept level with 2021. Expected improvements were not recorded due to:

SUPPLY CHAIN DISRUPTIONS With some of our new supply chain partners working to overcome pandemic challenges, progress on chemistry has been slow. However, improvements have been ongoing and will be reflected in 2023 numbers.

TRAVEL AND RESOURCE CONSTRAINTS Despite a slow return to normalcy, reductions to the workforce, limited financial resources and pandemic-related restrictions prevented some of our planned visits to suppliers, which meant verifications by our internal team could not be conducted.

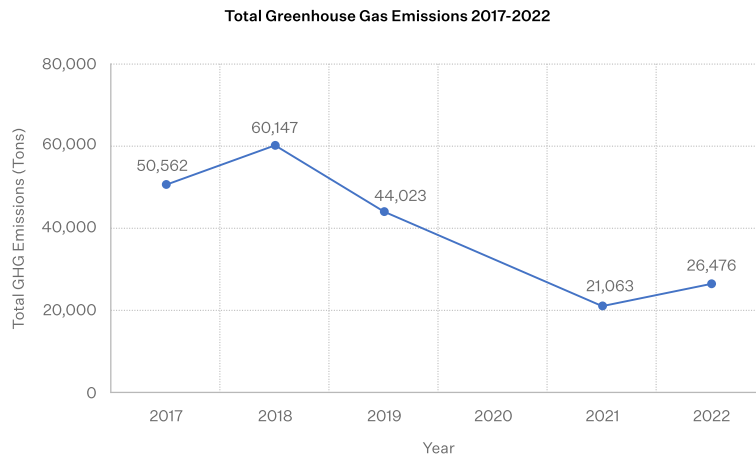
LACK OF THIRD-PARTY ASSESSMENTS Prior to the global pandemic, we engaged third-party auditors every year to assess selected top-volume dyehouses against Chemical Management Guidelines and worked with suppliers to develop safer chemistry plans based on assessment results. This work was discontinued from 2020 to 2021 due to logistical and budgetary difficulties; it was restarted at the end of 2022.

Carbon

At EILEEN FISHER, our approach to global warming is comprehensive and grounded in the interconnectedness of human and planetary well-being. Our climate strategy focuses on three key areas:

- The life cycle stages of our product
- Collective action
- Social equity and the vital role of women

We track our annual emissions from fiber production, industrial processes, transportation, travel and business operations. Although we did not calculate the full carbon footprint for 2022, we were able to estimate total greenhouse gas emissions for purchased goods and services based on a weighted average of GHGe per unit from 2021. Based on this, the company's estimated carbon footprint increased approximately 25% from 2021 to 2022 due to an increase in units produced and an increase in air shipments.

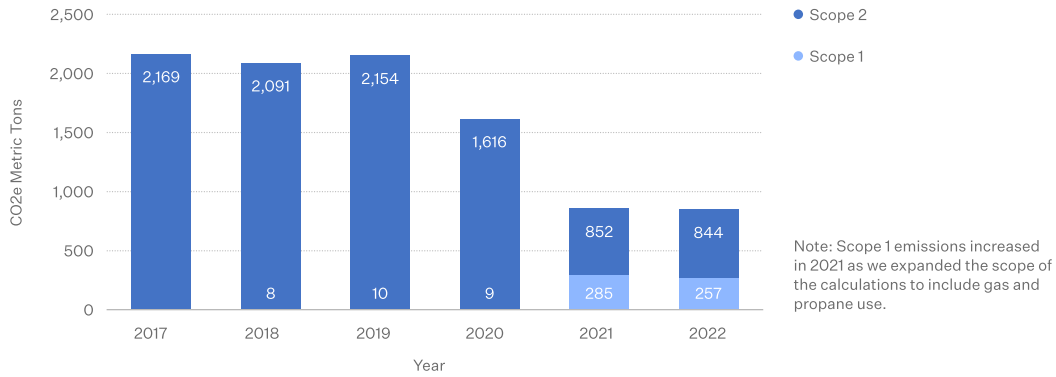


SUCCESSSES

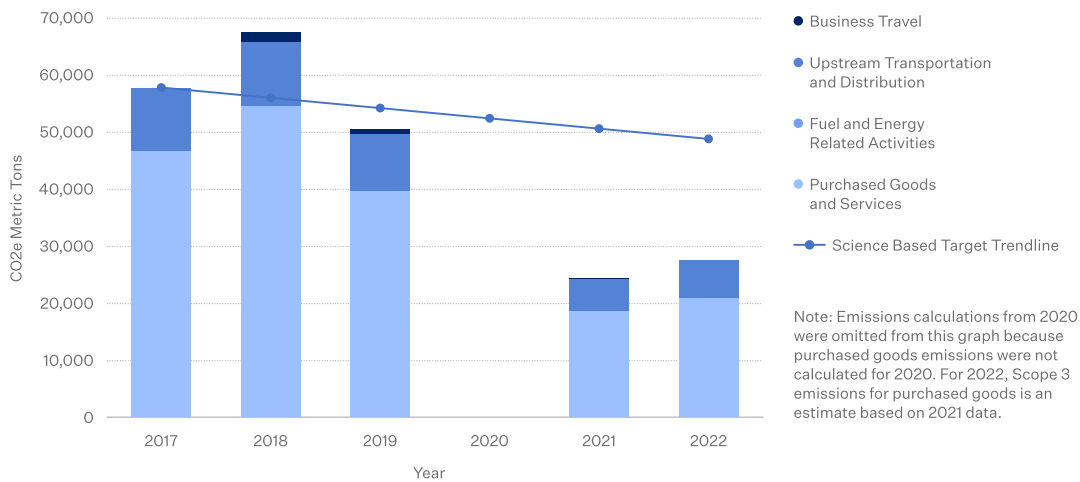
ADHERING TO SCIENCE BASED TARGETS In 2017, we partnered with the Science Based Targets initiative to establish carbon emissions reduction goals. The goals included a 100% reduction in absolute Scope 1 and 2 GHG emissions by 2025 from a 2017 base year. The company also committed to a 25% reduction in absolute Scope 3 emissions from purchased goods and upstream transportation and distribution by 2025.

Currently, we are on track to meet our Scope 2 and Scope 3 targets (Scope 3 is estimated to be 43% below EILEEN FISHER's target for 2022). We are not on track to meet our Scope 1 target. Additional details on all Scopes can be found below.

Scope 1 and 2 Emissions by Year 2017-2022

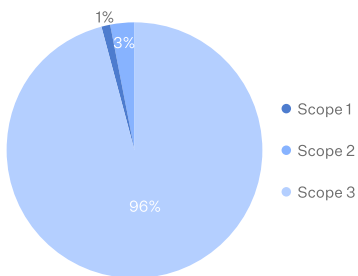


Progress on Science Based Targets for Scope 3 2017-2022

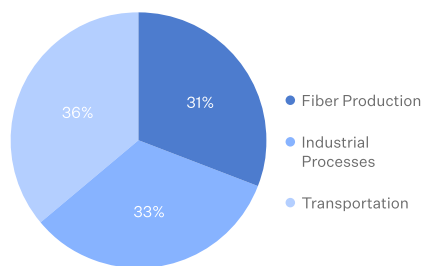


ADDRESSING THE LARGEST IMPACTS 96% of our emissions are in Scope 3, a category that comprises fiber production, industrial processes and transportation. To reduce our fiber production impacts, we have prioritized eco-preferred fibers. To reduce the carbon emitted through industrial processes, we have initiated a partnership with the Apparel Impact Institute (Aii) to work directly with suppliers to identify decarbonization opportunities. We continue to strive to reduce transportation emissions by improving internal planning systems.

2022 Total Scope 1, 2 and 3 Emissions



2022 Scope 3 Emissions



PURCHASING RENEWABLE ENERGY CREDITS Scope 2 represents the indirect emissions caused by the production of purchased electricity. Our Scope 2 targets were met in 2022 with the purchase of Green-e Certified Renewable Energy Certificates (see below).

GATHERING AND TRACKING DATA Tracking emissions depends on gathering and calculating data from a large number of sources in accordance with the Greenhouse Gas Protocol. These include elements detailed on the chart below—EILEEN FISHER operations, industrial processes (weaving, dyeing, sewing, etc.) and shipping.

Annual Carbon Emissions by Scope 2017-2022

GHG Emissions (tons CO2e)	2017	2018	2019	2020	2021	2022
Scope 1: Direct emissions from sources owned or controlled by the company						
Corporate Vehicles	-	8	10	9	6	1
Gas & Propane	-	-	-	-	279	256
Scope 1 Total	-	8	10	9	285	257
Scope 2: Indirect emissions from purchased electricity						
Building Spaces	2,169	2,091	2,154	1,616	852	844
Scope 3: Indirect emissions from sources not owned or controlled by the company						
Category 1: Purchased Goods and Services Raw Material to Finished Garment Factory	46,728	54,732	39,717	-	18,625	20,883
Category 3: Fuel and Energy Related Activities Transmission and Distribution Losses	-	-	-	-	48	40
Category 4: Upstream Transportation and Distribution Inbound and Outbound Shipping	11,054	11,210	9,975	4,572	5,654	6,574
Category 6: Business Travel	-	1,690	821	92	4	55
Scope 3 Total	57,782	67,632	50,513	-	24,331	27,552
Scope 1,2,3 Total	59,951	69,731	52,677	-	25,468	28,653
RECs (converted to GHGe)	2,169	2,091	2,154	1,616	-	844
Offsets / Insets	7,220	7,390	6,500	3,500	4,405	1,333
Total GHG Emissions	50,562	60,250	44,023	-	21,063	26,476

Note: 2022 Category 1: Purchased Goods and Services total is estimated based on a weighted average of GHGe per unit from 2021.

FIBER PRODUCTION

We measure fiber production impacts using primary data and the Higg Materials Sustainability Index (Higg MSI) for product life cycle impacts. The Higg MSI carbon accounting methodology follows the guidelines of the Greenhouse Gas Protocol. The following initiatives help reduce our carbon footprint:

Regenerative Farming

The regenerative supply chains that we use for wool involve practices to improve soil health and carbon sequestration potential. In 2022, 2% of all farm and field fiber production was regenerative. For specifics on our regenerative supply chain work, see Materials.

Patagonia Region Improved Grazing Project

In 2022, we continued to invest in carbon insets through Native's Patagonia Region Improved Grazing Project. This project enables sheep farmers to invest in better land management practices to support carbon sequestration.

Organic Farming

Based on Higg MSI and Textile Exchange Materials Benchmark, organic farming practices are significantly less carbon intensive than conventional farming methods. In 2022, organic materials accounted for over 75% of our total farm and field fiber production.

Recycled Fibers

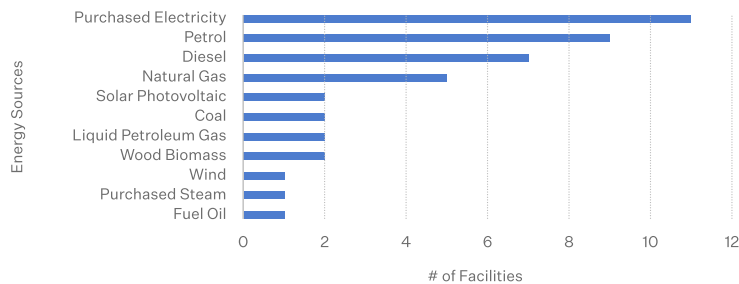
The use of recycled materials reduces the need for natural resources and contributes to less carbon intensive fiber production processes. In 2022, about 1% of our total fiber use was produced from recycled content. Our recycled cashmere made up 31% of total cashmere use, and recycled polyester comprised 47% of total polyester use.

INDUSTRIAL PROCESSES

CARBON ASSESSMENT & ROAD MAP In 2022, we partnered with the Apparel Impact Institute (Aii) to conduct Carbon Tech Assessments in several cut-and-sew factories and dyehouses. Aii's Carbon Tech Assessments will provide factories with a roadmap for setting and achieving energy efficiency goals, carbon reduction and cost savings.

TRACKING APPAREL MANUFACTURERS' ENERGY SOURCES We track supplier energy sources through Higg's Facility Environmental Module. Listed below is the latest available data on the energy sources used at our top 11 apparel manufacturing facilities, which represented 90% of our product volume in 2022. Each supplier has its own power configuration depending on the age of its buildings, local availability and other factors. None of the facilities use renewables exclusively, and some use both renewable energy and fossil fuels. This is emblematic of the transition to a sustainable energy mix.

Energy Sources Used by Apparel Manufacturers in the EILEEN FISHER Supply Chain in 2022

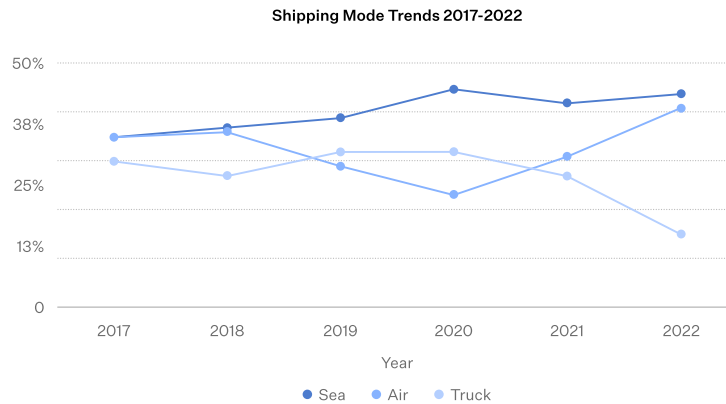


COLLECTIVE ACTION AND POLICY ADVOCACY In order to create meaningful change, we consistently engage with textile industry leaders, state and national policy makers and environmental advocacy organizations. The partnerships and policy actions for 2022 are detailed in Benefit 4, Collaborative Impact.

CHALLENGES

TRANSPORTATION Carbon emissions from inbound transportation (goods traveling to the US) make up approximately one-third of our total Scope 3 emissions. The key to reducing this number

is reducing air shipping. In 2022, the number of total units shipped by air increased (41% in 2022 compared with 31% in 2021). Supply chain disruptions, which included employee shortages at mills, delays and shortages in bulk fiber shipments and increased lead times for transit, contributed to the need for air shipping. Our team continues to strive to reduce transportation emissions by following the production calendar and improving internal planning systems.

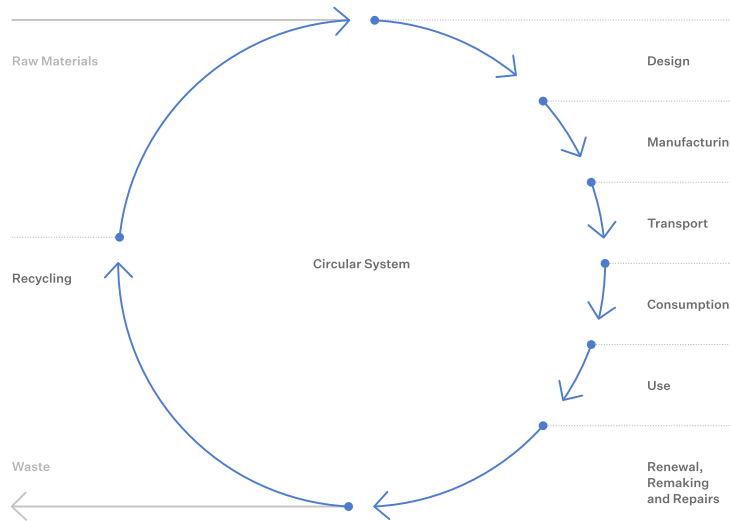


DECARBONIZING COMPANY-LEASED FACILITIES Our Scope 1 emissions, which make up 1% of our total carbon footprint, reflect direct emissions from corporate vehicles and energy use at company-managed facilities. Currently we are not on track to achieve our Scope 1 target, partially because building locations are leased, preventing direct control over energy sources.

SOCIAL EQUITY AND THE VITAL ROLE OF WOMEN Clean air and a stable climate are directly related to human health. We understand the vital role women play in helping their communities mitigate and adapt to climate change. In 2022, EILEEN FISHER contributed to [WECAN](#) (Women’s Earth and Climate Action Network) in support of this work (see Benefit 3 for more details). We will continue to support the interconnectedness between women and climate around our global communities through public policy and supply chain engagement.

Waste

For more than a decade, EILEEN FISHER has taken steps to shift from a linear to a circular manufacturing model that would significantly reduce waste. This complex, multi-year process requires envisioning the clothing we make today as raw materials for tomorrow.



In 2022, we redesigned our website to share this thinking with customers and define the three life stages of circular design: **First Life** (clothing made from new materials), **Second Life** (reused and repaired items) and **Third Life** (upcycled products and downcycled fibers made from clothing collected through our take-back program).

FIRST LIFE

Creating clothing that can have a second and third life involves many of the strategies that have been discussed in preceding sections on Materials, Chemistry, Sourcing and Carbon. Circular design depends on:

- **Sourcing fibers that are regenerative, renewable and recyclable at the end of their useful life.** The Materials section details our considerable successes in 2022.
- **Doing things right from the very beginning.** This includes reducing waste at dyehouses, factories, and other parts of the supply chain. Within our Tier 1 (finished product) supply chain, 34% of manufacturers use a third-party recycling service for textile scraps.
- **Doing more with less.** To meet our goals of using fewer resources, we source silks and other fabrics that are dyed according to the bluesign standard, which considers water, energy and chemicals as inputs (see Chemistry). We are implementing strategies for reducing our carbon footprint (see Carbon) and exploring how to further reduce waste in factory cutting rooms (see Supply Chain).

SECOND LIFE

Gently worn EILEEN FISHER garments collected through our take-back program are cleaned and resold in select stores and on eileenfisherrenew.com. Clothing with slight flaws or stains can be repaired or overdyed to extend their useful life. In 2022, our Second Life initiatives reduced waste by:

Collecting 273,310 garments through our take-back program, up from 246,925 garments in 2021.

Reselling 93,135 gently worn garments through EILEEN FISHER Renew, up from 74,895 garments in 2021.

Partnering with Tersus Solutions to sort and clean garments using waterless and dryerless technology. Tersus Solutions offers a closed-loop system that reduces water and electricity usage, captures microfibers and extends the life of garments.

Transforming 1,087 damaged pieces into new designs, a drop from 2,250 units in 2021.

Expanding secondhand product categories. Shoes, sandals and boots were first re-sold through EILEEN FISHER Renew in 2021. In 2022, we expanded this initiative to include belts.

Donating gently used clothing to support nonprofits that work with vulnerable populations. In 2022, we donated 45,269 items of clothing to local nonprofits near our two Renew warehouses in Seattle, WA, and Irvington, NY. See Business for Good for the complete list.

CUSTOMER REPAIR PROGRAM Relining a coat or mending moth holes enables customers to live with their garments longer. In 2022, our growing Customer Repair Program repaired 938 garments, an increase over 2021 when 424 garments were repaired from May to December.

VISIBLE MENDING Needle artists continued to turn EILEEN FISHER Renew clothing with holes and flaws into works of art through visible mending techniques. In 2022, we offered our first mended cashmere collection. In 2022, mended garments totaled 180 units, all of which were created by Hemster.co, an online company specializing in fit tips and tailoring.

OVERDYEING In 2022, EILEEN FISHER Renew continued to partner with Botanical Colors to overdyed slightly flawed garments, using natural dyes to create an Indigo Collection. The collection included 750 limited edition pieces.

THIRD LIFE

Garments that cannot be given a Second Life through the above programs are kept out of the waste stream and given a Third Life through upcycling, recycling and downcycling initiatives.

WASTE NO MORE Since 2018, our Waste No More program has employed a collective of artists, designers and seamstresses who turn damaged garments into abstract wall hangings, acoustic tiles, pillows, bags, accessories and other items. They work at EILEEN FISHER's studio in Irvington, NY, and use smaller and larger felting machines for textile production.

Each year, the Waste No More team diverts thousands of pounds of premium-quality wool, cotton, linen and silk into new systems and use streams.



A bold, five-foot-long hanging, part of the Wallworks collection, was made with 6 wool sweaters, 3 silk shirts and 3 linen shirts.

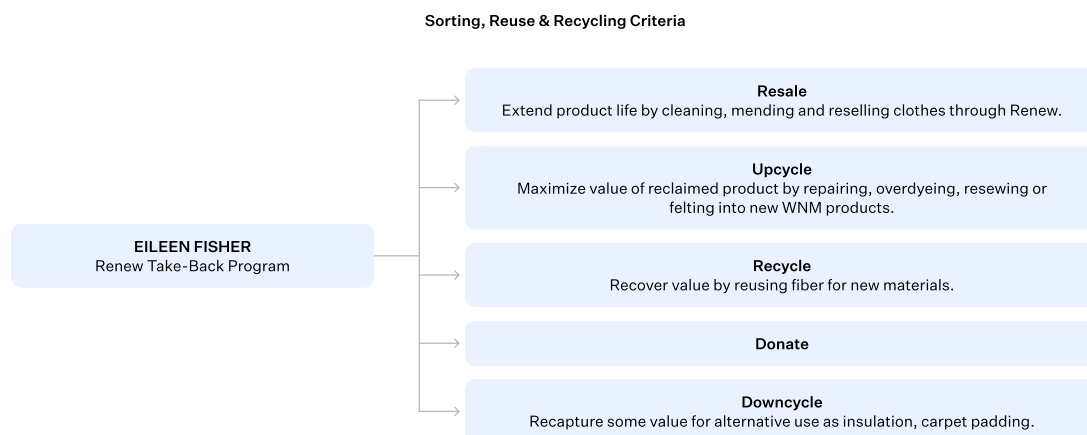
In addition to Wallworks art pieces, Waste No More offered two accessories collections in 2022—one in spring and another in fall.

PARSONS SCHOOL OF DESIGN EXTERNSHIPS EILEEN FISHER continued to provide two externships to MFA students at Parsons School of Design. These students were invited to use our felting machines and recycled clothes to create their own projects.

RECYCLED COTTON YARN In 2022, 4500 units (2000 pounds) of damaged cotton/spandex garments from the Renew take-back program were turned into recycled cotton yarn. The yarn was produced by The New Denim Project, an innovative mill in Guatemala City that specializes in circular design. The yarn was sent from Guatemala to Art Atlas, a fair-trade supplier in Arequipa, Peru, to develop a new product.

DOWNCYCLING Pieces from the take-back program that cannot be repaired, remanufactured, recycled or felted are downcycled for car insulation and industrial uses. These items include blends or product with a high spandex content.

The illustration below demonstrates the sorting criteria for the Renew take-back program.



CHALLENGES

SALES The Renew store in Seattle saw a relatively flat year in sales, a departure from the previous two years where sales increased, especially online.

VOLUME OF USED CLOTHES The Renew program continued to take back more clothes than it could sell or repurpose sustainably. In addition to customer donations, Not-Quite Perfect product—new items rejected by Quality Control—added to the inventory. The company continues to develop a strategy for excess inventory.

INDUSTRY-WIDE FINANCIAL CHALLENGES Scaling up repair and reuse programs requires significant financial commitments. This is true not just of EILEEN FISHER but of the textile industry as a whole. Our Director of Circular Design contributed to the Eileen Fisher Foundation’s “Hey Fashion!” report on the textile waste crisis, which was completed in 2022. As the report indicates, reckoning with waste involves industry partnership, an idea that has always been essential to our collaborative approach to business.

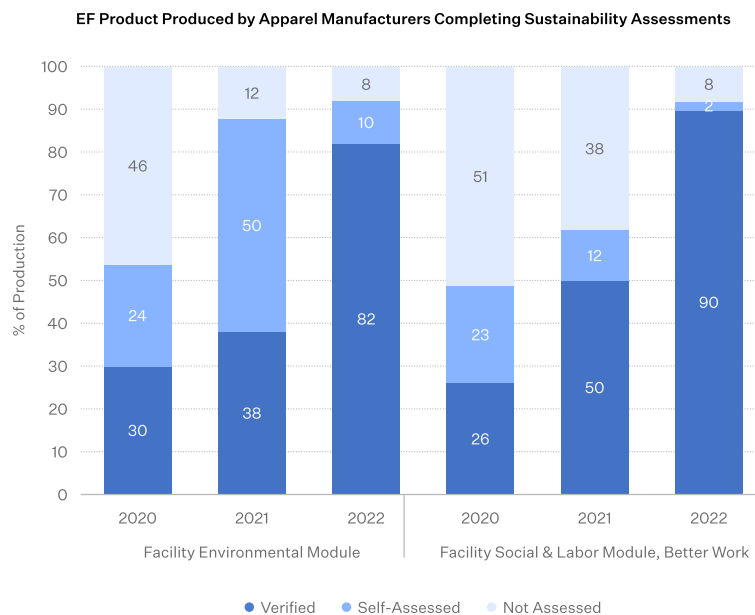
Supply Chain

In 2022, we were able to recover from the disruptions to sustainability work caused by the pandemic. Together with our suppliers, we achieved a high level of engagement in and progress on product development, traceability & transparency measures as well as partnerships across the spectrum of social and environmental initiatives.

SUCCESSSES

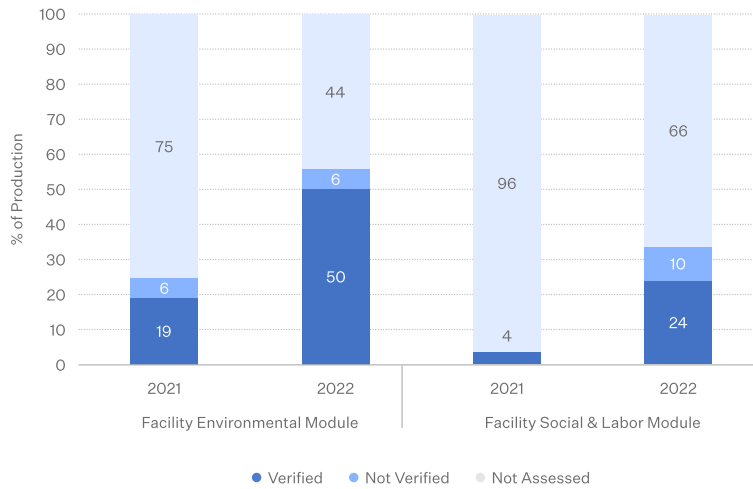
INCREASED SUPPLIER ENGAGEMENT IN HIGG ASSESSMENTS In order to support and encourage suppliers to improve their social and environmental performance, we ask dyehouses and apparel manufacturing facilities to complete two Higg Assessments: the Higg Index Facility Environmental Module (FEM) and the Higg Index Facility Social and Labor Module (FSLM). Social data for facilities in Indonesia and Vietnam continued to be collected through the International Labour Organization (ILO) Better Work program.

As indicated by the charts below, the completion rate— and external verifications— for Higg FEM and FSLM assessments by apparel suppliers substantially increased in 2022.



There was a similar increase in completed FEM assessments among dyehouses, accounting for over 35% of the total units EILEEN FISHER produced.

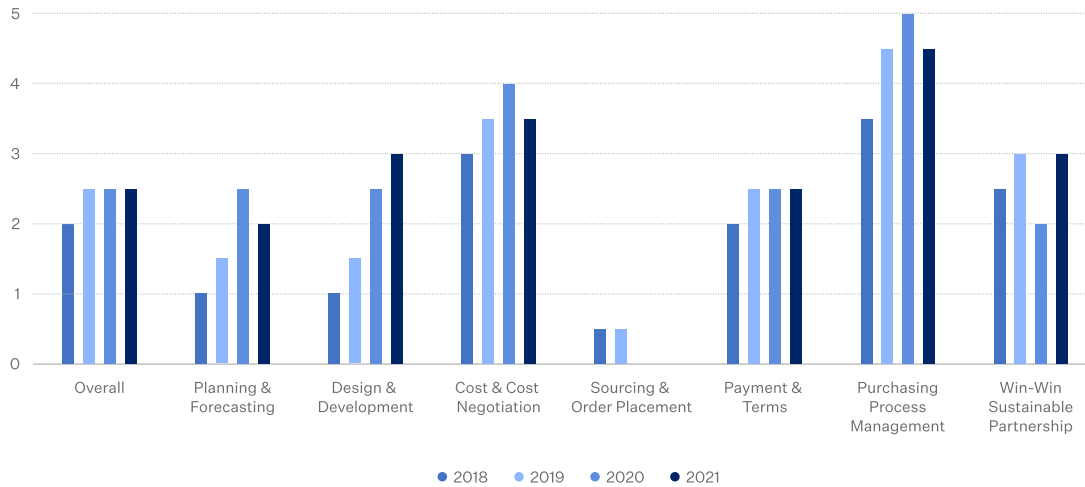
Higg Environmental & Social Assessments Completed by Dyehouse Facilities in 2021 and 2022



RESPONSIBLE BUSINESS PRACTICES We improved our Higg BRM Responsible Purchasing score in part due to feedback from previous Better Buying assessments (see Product section for details). Our overall Better Buying Score of 67% held steady, despite global challenges. Improvements that reduced supply chain impacts included:

- **Increased Tech Pack accuracy.** Internal teams worked to ensure that product technical blueprints had accurate instructions and clear sampling requirements for suppliers to reference.
- **Increased clarity of social and environmental expectations.** Building on feedback from 2021, the Social Consciousness team made sure to communicate social and environmental expectations often and clearly so suppliers could be confident in the parameters of the partnership.
- **Purchase order accuracy.** We continued to score higher than the industry average on purchase order accuracy, which enables factories to plan effectively, avoid unexpected overtime and keep revenue streams steady.

EF Better Buying YOY Performance



VENDOR VISITS In 2022, Social Consciousness visited suppliers for the first time since the pandemic started. Discussions with six suppliers in Vietnam and Indonesia addressed living wage and decarbonization. The visits strengthened our relationships with suppliers and provided valuable learnings about the factories' environmental and social progress.

SUPPLY CHAIN TRACEABILITY In 2022, we worked with Textile Genesis to use digital tokens to provide supply chain traceability. The pilot program showed select suppliers how to use Textile Genesis's platform to trace supply chain steps, from fiber producer to garment vendors. The company tracked 189,000 garments across two materials (Tencel™ Lyocell and EcoVero), accounting for 70.5 metric tons of fiber.

WASTE REDUCTION MATERIAL OPTIMIZATION LAUNCH In 2022, EILEEN FISHER piloted a Material Optimization project at two factories in the US and Peru. In the US, the program resulted in waste reduction of 1-2%. In Peru, the launch involved laying the groundwork for future waste reductions.

SUPPLIER SCORECARD LAUNCH Grading the top 8 garment suppliers on their Quality, On-Time Delivery, Social Performance and Environmental Performance, this tool puts Social and Environmental performance alongside key business metrics for a holistic view of each factory's operations.

CHALLENGES

GLOBAL LOGISTICS Shipping issues, including reduced vessel capacity, container and labor shortages, longer transit times, port congestion and higher freight costs, led us to increase air shipments in 2022. See the Carbon section for additional detail on how transportation methods have changed year to year.

TRANSPARENCY Visibility to the farm level is not yet widely attainable in many supply chains. In 2022, we saw important advancements in the requirements for the certification of raw fiber materials by the Global Organic Textile Standard and the Organic Content Standard—namely the inclusion of country of origin and, in some instances, the region within a country. However, fibers without these certifications can prove harder to trace.

Benefit 2

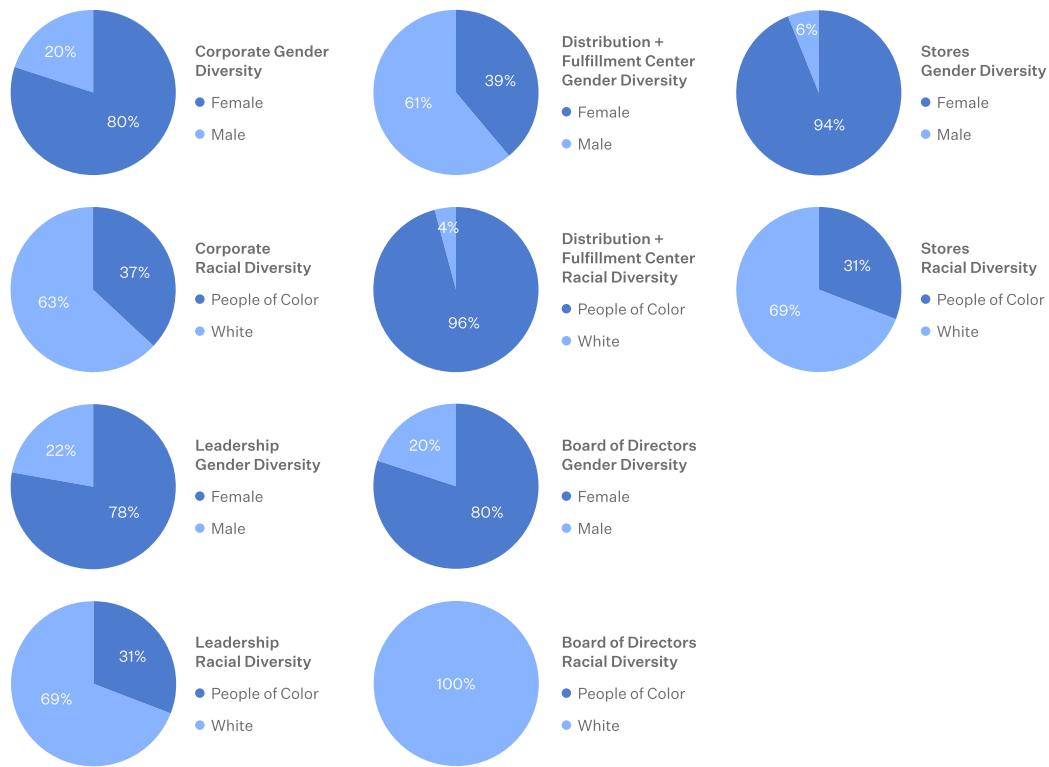
We are committed to creating an inclusive workplace that respects and honors differences in gender, age, race, ethnicity, religion, sexual orientation and political views.

Inclusive Workplace

In July 2021, we set a goal that 50% of our new hires would be People of Color. While we did take steps to meet that goal in 2022, the reality of a tight employment market meant that the candidates with the right qualifications did not always line up with the company’s diversity goal. Nonetheless, we’re still working toward a 50% goal for new hires in 2023—and we remain committed to our 2020 Inclusive Workplace Statement, which outlines our belief that “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.”

The 2022 data below shows the company’s successes and challenges in implementing diversity, equity and inclusion (DE +I) across teams with specialized hiring needs, remote work requirements and diverse locations (some employees are based in Irvington, NY, others in Secaucus, NJ; sales associates are located at stores across the country).

Here is a snapshot of the people at EILEEN FISHER in 2022:



SUCCESSSES

EILEEN FISHER's mission-based culture provides common ground for employees with different skills and backgrounds. The pandemic and remote work made sharing our company culture more difficult; however, in 2022, we were able to safely hold in-person events and find innovative ways to provide our employees with a shared understanding that their contributions, large or small, were helping to create positive change in the textile industry.

Here are some of our successes in supporting DE+I goals:

NEW HIRING PRACTICES In support of our commitment that 50% of new hires would be People of Color, we re-evaluated our retail hiring practices, updating the standardized candidate experience and evaluation tool in order to limit the potential for bias. To further our mission and increase diversity across company-wide teams, People & Culture established a working group tasked with the creation of proactive hiring strategies for specific teams.

ANTI-RACISM TRAINING As part of our DE+I commitment, we partnered with Courageous Conversation (an award-winning protocol for effectively engaging, sustaining and deepening interracial dialogue) to provide mandatory anti-racism training for team leaders. This initiative is part of a wider and longer term DE+I strategy that also includes work in hiring and integrating new hires.

CULTURAL MOMENTS To help employees share in events such as Pride Month or Lunar New Year, the DE+I working group on education created and delivered a series of educational materials and held employee gatherings. They also published a DE+I Cultural Moments Calendar.

BLACK EMPLOYEE RESOURCE GROUP The Black Employee Resource Group (BERG), an internal community for Black employees, was relaunched in 2022. BERG supports participants with regular meetings that cover different discussion topics. It also provides an opportunity for employees to share their experiences, develop and grow their careers and get support they need from the company.

DE+I INCLUDED IN ANNUAL REVIEWS In 2022, the EILEEN FISHER employee review process—a Development Dialogue between a leader and their direct report—was expanded to include a more detailed review of how employees incorporated DE+I into their job/role responsibilities by specifically asking employees to reflect on the internal events and/or activities they attended and how they participated.

SUPPORTING EMPLOYEE GROWTH Individual personal and professional learning opportunities were made available to all employees through the addition of LinkedIn Learning subscriptions.

SUPPORTING AND CONNECTING LEADERS Bi-monthly Two Minute Tuesdays emails offered leaders opportunities for virtual training through videos, articles and challenging prompts. These communications invited leaders to respond and share their reflections, helping to increase inclusivity across the company.

CONNECTING REMOTE AND ON-SITE WORKERS In 2022, we were able to resume safe, in-person company gatherings at our Irvington, NY, corporate office, which, historically, have helped foster connections and build a strong sense of community. Gatherings included a welcome party for CEO Lisa Williams and a December holiday party at the corporate headquarters. Budget dollars were also available for in-person holiday gatherings for warehouse and individual store teams.

BONUSES REINSTATED In 2021, the company was forced to suspend its company-wide year-end profit-sharing bonus, along with its store bonus program for sales associates. In 2022, these programs were reinstated. In addition, all employees received a summer bonus.

WORK/LIFE BALANCE To better understand employee morale, satisfaction and engagement, the company distributed a Pulse Survey. Overall, employees were passionate about the company's mission and happy to work for EILEEN FISHER, but corporate employees, especially at the management and leadership levels, struggled with work-life balance. Employees expressed desire for greater individual recognition for outstanding performance. Following the survey, the company made a commitment to monitor morale and satisfaction every other year.

INSPIRING EMPLOYEES TO DO THEIR BEST WORK In 2022, we began implementing a Pulse Survey to gather employee feedback and move toward a more intentional, performance-driven assessment program and compensation model. This model aims to recognize individual performance and contribution, create greater clarity about leader/employee expectations, enhance communication and inspire employees to do their best work. Historically, our compensation models have not been individually tailored.

CHALLENGES

Our company's strong culture and connected community were weakened by the pandemic. Though we have worked hard to rebuild a workplace where all employees feel valued and included, challenges remained in 2022.

LEVELS OF PARTICIPATION IN DE+I INITIATIVES Throughout the year, the DE+I team offered virtual gatherings to bring employees together so that they could share experiences and learn about topics such as cultural moments (see above). While the gatherings were successful, participation was uneven, due in part to variations in job types, work locations and work schedules.

EXPANDING THE MEANING OF DE+I In order to engage all the various diversity needs within our workforce, we need initiatives that address more than anti-racism. Diversity of age, gender, religion and cultural background are all important to address to create a workforce with a sense of belonging and connection.

Benefit 2b:

Benefits & Wellness

We believe that supporting the well-being of our employees is the first step in doing business for good. Benefits and wellness have always been a key focus, but the financial challenges of the pandemic meant that we had to eliminate or reduce some of our hallmark programs. In 2021, we were able to restart select wellness initiatives, and we continued that progress in 2022 by enriching benefits, expanding wellness programs and supporting a culture of community and individual well-being.

SUCSESSES

WELLNESS REIMBURSEMENT PROGRAM Our Wellness Reimbursement Program was reinstated in 2021 and expanded in 2022. Newly eligible education-related expenses included programs such as art, music, cooking classes, dance lessons, meditation classes and mindfulness apps. To incentivize employees to use their paid time off within the calendar year, employees can opt to submit vacation-related expenses such as accommodations, admission tickets, car rentals, transportation services and even airline and train tickets for reimbursement.

MILESTONE ANNIVERSARY RECOGNITION PROGRAM We've reinstated our anniversary program that recognized employee tenure with the company. In its new incarnation, the program celebrates milestones of 5, 10, 20, 25 and 30 years of employment. Program elements vary with tenure and include a cash bonus, a personalized gift basket, a budget for leaders and/or team personalized recognition, acknowledgment from the employee's Senior Leader and, for 10- and 20- year milestones, an additional week of vacation. The anniversary program applies to all employees whether full-time, part-time or as needed. Employees who met these milestones during the program's hiatus were given official recognition in 2022.

401(K) MATCH For the first time since the pandemic hit in 2020, we've committed to funding a 401(k) match for the 2022 plan year. To help employees with lower salaries meet the threshold for matching funds, we've changed the formula to ensure greater equity.

DAILY WELLNESS The company launched a series of initiatives to inspire individual action and promote a culture of well-being and self-care. These initiatives included:

- Daily calendar holds on corporate employees' calendars from 12:30pm to 1pm to encourage meeting-free breaks to refresh and reset.
- Meeting-free Friday afternoons to ensure that employees have time to focus and complete their work.

- Inspirational quotes from employees were gathered each week and shared on company computer/laptop loading screens.
- A virtual series of Wellness Wednesdays and Lunch-n-Learns hosted monthly from noon to 1pm. Topics included diabetes awareness, meditation, yoga, dancing and financial wellness.
- Recognition e-cards were made available to encourage employees to recognize and express appreciation for one another.

PROTECTING EMPLOYEE HEALTHCARE COSTS Even though costs for the company's health care plan continued to rise, we did not raise biweekly employee contributions for medical and dental insurance. This represented a significant financial investment in keeping our employees healthy, despite inflation.

FLEXIBILITY TO WORK FROM HOME Many corporate employees worked remotely during the pandemic. In 2022, they were encouraged to come back to our headquarters in Irvington, NY, in order to facilitate connection, enhance collaboration and create a sense of community. At the same time, the company also supported the flexibility to work from home, recognizing that for some employees, particularly those with children, remote work was critical to their work/life balance.

CHALLENGES

EILEEN FISHER's benefits and wellness programs have historically been both robust and a point of company pride. Moving forward, the company is aware that, while it is important to be fiscally conservative during these uncertain times, it is also essential to innovate and to seek new ways to support the well-being of a community that is diverse in its interests, concerns and stages of life.

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.

Business for Good

EILEEN FISHER has a long history of providing grants and other support to programs and nonprofits that create positive change by empowering women and girls, supporting the fair treatment of all people and preserving the environment. In 2021, we had to suspend our grant program due to financial limitations caused by the pandemic. In 2022, we were able to reinstate limited programs.

SUCCESSSES

GIVING TUESDAY We revived our Giving Tuesday support for nonprofits at the intersection of women’s empowerment and the environment. We were proud to contribute \$25,000 to the Women’s Earth and Climate Action Network (WECAN), who are working with Indigenous women leaders in Southeast Alaska to protect over 9 million acres of old-growth forest in the Tongass Rainforest. This indigenous-led movement has been critical in restoring the Roadless Rule protections as well as supporting the ecological, economic and cultural values of Southeast Alaska. The Tongass Rainforest, the largest forest in the US, is the traditional homeland of the Tlingit, Haida and Tsimshian Peoples.

HEY FASHION EILEEN FISHER contributed content to the Eileen Fisher Foundation’s textile waste project entitled, “Hey Fashion!” This report, which was published in July 2022, addressed the global textile waste crisis and how all stakeholders, from business to consumer, must play a role in alleviating the problem. Our company was one of over 100 brands, innovators, investors and service providers to be interviewed for this project. <https://www.heyfashion.org>

CLOTHING DONATIONS We continued to support nonprofits that work with vulnerable populations by donating gently used clothing. In 2022, 45,269 items of clothing were donated to the following nonprofits, most of them located near our two EILEEN FISHER Renew warehouses in Seattle, WA, and Irvington, NY:

- 914Cares (White Plains, NY)
- American Red Cross (Dallas, TX)
- Big Brothers Big Sisters (Seattle, WA)
- Community Center of Northern Westchester (Katonah, NY)
- Dress For Success (Seattle, WA)
- Family-to-Family (Hastings-on-Hudson, NY)
- Habilitat Hawaii (Kaneohe, HI)
- Lemon Salvage (Spokane, WA)
- Lifelong Thrift (Seattle, WA)

- Roosevelt Island Senior Center (New York, NY)
- Ryther (Seattle, WA)
- St. Bartholomew Church (White Plains, NY)
- WHEEL (Women's Housing Equality & Enhancement League) (Seattle, WA)
- Women's Rights Information Center (Englewood, NJ)

GIFT CARDS We provided gift cards to support local fundraising events hosted by nonprofits located near our stores:

- Cycle for Kids Cancer Event, hosted by the Lucile Packard Children's Hospital, Palo Alto, CA
- Making a Difference Event, The Women's Foundation of Greater St. Louis, MO
- Annual fundraising luncheon, Attitudes and Attire, Dallas, TX.

CHALLENGES

With the exception of the Giving Tuesday grant, our philanthropic program was still limited due to financial constraints. As we continue to regain financial strength, we hope to find new ways to give back.

Benefit 4

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

Collaborative Impact

SUCCESSSES

EILEEN FISHER continued to partner with thought leaders, nonprofits and industry organizations that are helping to move fashion forward with both social and environmental tools for change. These partnerships typically include memberships, both paid and unpaid, as well as board representation, consulting relationships and other similar significant relationships.

2022 PARTNERSHIPS

Responsible Business and Policy

American Sustainable Business Network
B Lab
Ceres Policy Network
Eleven Radius
Fordham University's Responsible
Business Coalition
Slow Factory
Sustainable Apparel Coalition

Supply Chain

Apparel Impact Institute
Better Buying Initiative
Better Work Vietnam and Indonesia
Coalition to End Forced Labor in the
Uyghur Region
Custom Collaborative
Cyntex
Higg Inc.
Labor Solutions
Nest

Open Supply Hub
Organic Cotton Accelerator
Phoenix Fibers
Preferential Tariff Project
Savory Institute
Social Accountability International
Textile Exchange
Tersus
Trove

Environmental

bluesign®
Brown and Wilmanns Environmental
Canopy Planet
Clean Energy Buyers Association (CEBA)
Native (formerly Native Energy)
Science Based Targets Initiative

Academic

Columbia Business School
Parsons School of Design

BRAND AND STUDENT CONVERSATIONS

Our efforts to share best practices and create mutual learning opportunities with like-minded organizations continued in 2022. Our employees conducted numerous brand-to-brand conversations during the year to provide insights into EILEEN FISHER's work and to explore potential collaborations. In addition, the company held four quarterly webinars for college and post-graduate students and early career professionals seeking to learn about Social Consciousness practices.

POLICY ADVOCACY

We recognize the opportunity for meaningful systems change through engagement with policymakers and advocacy organizations. To that end, we took action on several key issues throughout 2022.

CLIMATE ACTION

- Signed the **Michigan Climate Action** letter supporting statewide climate action, to coincide with the final Michigan Healthy Climate Plan Report. Governor Whitmer tweeted about business support, directly referencing our letter in the video she tweeted.
- Signed the **Minnesota Climate Action** letter for statewide climate action, to coincide with the final Climate Action Framework released in September 2022.
- Signed the **Investing Federal Funds in State Energy Efficiency Projects** letter, which recommended prioritizing funds toward state energy efficiency investments. These funds would be derived from the Infrastructure Investment and Jobs Act as well as future funding from budget reconciliation. EILEEN FISHER signed the parent letter, which also included state-specific versions: AZ, VA, PA, OR, NC, NH, MN, MI, IL, CO, CA, MD and WA.
- Signed the business support letter for the **Inflation Reduction Act of 2022** containing the nation's largest ever climate investments.
- Signed the multi-state letter supporting clean transportation in passenger and medium- and heavy-duty vehicles through the adoption of **Advanced Clean Cars II and Advanced Clean Fleets** in California. Following passage in California, this letter was shared across the country to encourage additional states to adopt the new rules.

REPRODUCTIVE HEALTH

- In response to *Dobbs v. Jackson Women's Health Organization*, we issued internal and external statements in support of reproductive choice. EILEEN FISHER also ensured company-sponsored health plans provided for reproductive health care regardless of the state of residence of eligible employees.

RESPONSIBLE BUSINESS

- We engaged in months-long conversations as part of a multi-stakeholder coalition supporting the drafters of the New York Fashion Act.

VOTING RIGHTS

- We piloted Motivote, a national program that provides information about voting, candidates and ballot measures in order to remove barriers to access voting.

CHALLENGES

Although EILEEN FISHER has many opportunities to support policy action on the state and federal levels, we have limited staff to address these issues. It is imperative for us to develop a strategic approach that maximizes resources and prioritizes a few key actions.

Going forward, we will ask ourselves:

What policy issues are most closely aligned with our company values?

What key partners should the company collaborate with to maximize collective resources?

Where is EILEEN FISHER's voice most needed at the state and/or federal policy level?

By working through these questions, we will better serve the needs of the community and the industry as well as our own interests.

Final Word

With 2022 behind us, we feel tremendous optimism about the company's future. We've renewed our commitment to regenerative agriculture, circular design, DE+I and employee well-being. And we're laying the foundation for a stronger, more resilient company under the leadership of our CEO, Lisa Williams.

None of this is possible without the continued support of our customers, employees and partners along the way. Thank you—and see you next year.