

GORE® Wear, Sitka® Gear, and VIEV

Fair Compensation Commitment Statement
v1.0 (December 6, 2021)

Setting the Standard

We at [GORE® Wear](#), [Sitka® Gear](#), and [VIEV](#), direct-to-consumer brands of [W. L. Gore & Associates, Inc.](#), are committed to maintaining supply chains that uphold fair labor standards. As members of the [Fair Labor Association \(FLA\)](#), with GORE® Wear [accredited in 2017](#) and Sitka® Gear [joining in 2019](#), we interpret “fair labor standards” to be those established in the [FLA Workplace Code of Conduct](#), which are required of all our Tier 1 (cut-and-sew) suppliers,¹ and which we measure by the [FLA Compliance Benchmarks](#). Among these standards is the FLA’s (and our) definition of “Fair Compensation”:

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker’s basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers’ basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

Making Our Plan

We recognize that fair compensation is a key pillar of responsible sourcing. We also acknowledge that ensuring fair compensation across global supply chains is no simple task and requires a range of partners and engaged stakeholders. We cannot do this work alone and look to manufacturing partners, worker representatives, peer brands, local governments, civil society organizations, and multi-stakeholder initiatives to play active roles in making fair compensation a reality. One such partner, the FLA, has created a framework and set of tools which we are using to clarify standards, set goals, evaluate gaps, and measure progress.

In following the FLA’s framework, in 2021, we provided FLA with our workplan (or “Fair Compensation Blueprint”). This began with collecting detailed wage data from a sample of suppliers, followed by inputting and analyzing that data in the FLA’s Fair Compensation Dashboard. The dashboard enables us to compare our suppliers’ wages against local and global thresholds for minimum wage and fair compensation.

Although there’s no universally agreed upon living wage, one widely accepted target, trusted by FLA and available in many countries where we operate, is the [Global Living Wage Coalition \(GLWC\)](#) benchmark. The GLWC benchmark is tailored to local characteristics of household size, food costs, housing, health, and transportation costs, and saving needs. In locations where the benchmark is available, we are relying on this threshold as a goal for factories to attain in paying their workers.

Raw data is only shared with FLA, which supports their own reporting on global supply chains, keeping factory data anonymous. FLA required a minimum 5% sampling of our Tier 1 suppliers, but we surpassed that requirement, collecting wage data from about 30% of these factories between 2019 and

¹ GORE® Wear suppliers: https://www.gorewear.com/on/demandware.static/-/Sites-GoreUS-Library/default/dwdfdc612e/documents/04-2021supplier_gorewear_update.pdf; Sitka® Gear suppliers: <https://www.sitkagear.com/social-responsibility>

2021. The sampled factories produce approximately 70% of our total GORE® Wear and Sitka® Gear units.

Since then, and in accordance with our Blueprint, we have reported this data internally, and we've begun working with certain suppliers to review and understand this information as well.

Taking Action

We are currently piloting multiple interventions on our own, and exploring partnerships with others, to help our suppliers endeavor to pay their factory workers a fair compensation.

Responsible purchasing practices are a key function in helping our suppliers pay their employees fair compensation. This involves transparent, often long-term, relationships with strategic suppliers, to better ensure they meet their salary obligations on time and in full. These relationships continue to evolve, as in the example of how we are now expanding our practice of "open costing." With a new technology platform, we have begun transparently costing purchase orders together with strategic suppliers, with the aim to prevent labor costs from being undermined during price negotiations.

Among the devastating impacts of the COVID-19 pandemic, the world has seen apparel industry workers lose their livelihoods as demand plummeted and buyers rapidly cut their orders. At GORE® Wear we are highly cognizant of the fact this is a true test of our commitment to responsible sourcing principles. We are therefore trying our best to mitigate the adverse effects of the pandemic on our suppliers and their employees by following [Fair Labor Association's Guidance](#) on best practices. To that end: Our strategy includes honoring our purchase orders with our garment suppliers. In fact, due to strong consumer demand for running and cycling wear, we were fortunate enough to even increase some orders, helping our suppliers partially offset the canceled or reduced orders from other brands. With our garment manufacturers, we strive to maintain price and payment terms on any purchase orders and honor agreements made prior to the pandemic. We are in constant communication with all our garment manufacturers and monitoring the situation closely.

On an annual basis, we will endeavor to collect wage data from 100% of our strategic suppliers and analyze this data against the GLWC benchmark, where available, or other FLA-recommended indicators. By 2025, we aim to set goals with 100% of our strategic suppliers to meet the GLWC benchmark or participate in one of our interventions. As we determine particular paths forward, we will include such news in our updates.

Committing to Transparency

We will continue to collect and analyze wage data with FLA's tools at strategic suppliers on an annual basis to measure progress. Reports will be discussed with our internal leaders and team, strategic suppliers, and with the FLA.

We will continue to provide our data to FLA, and we will update this statement annually to explain our progress on this important topic.