



ARENA'S FAIR COMPENSATION PUBLIC COMMITMENT

arena believes that every worker has a right to a fair compensation that is sufficient to meet basic needs and provide some discretionary income.

It means that a person working 40 hours a week, with no additional income and without government subsidies, should be able to afford the basics for a modest but decent life, such as food, accommodation, utilities, transport, health care, child care and some savings.

arena has always been committed to ensuring that fair labour practices and safe working conditions are upheld throughout the entire supply chain, as well as that all workers in its supply chain receive the minimum legal wage established in their respective regions.

arena fully acknowledges that achieving fair wage payment is a big challenge across the industry and that sustainable improvements can only be attained through multi-stakeholder collaboration and initiatives.

That is exactly the reason why arena is committed to fully pursue the FLA Fair Compensation Strategy.

Under this strategy, the FLA has created a practical tool to support companies in making progress, the FLA's Wage Data Collection Toolkit, which enables companies to collect wage data using uniform metrics and standards and to visualize that data against living wage benchmarks.

In 2020, 10% of arena Tier 1 suppliers' factories were evaluated through this tool.

arena is committed to increase the number of factories involved in this project year after year.

arena is also committed to improving responsible purchasing practice to improve wages for workers and for this reason will use wage data to help set internal priorities and create actionable plans for implementing fair compensation with the support of the purchasing staff which is fully involved in this project.

arena will continue to collect data on workers' wages also in relation to Covid19 and to the socio-economic impact of the pandemic. If and where there are any gaps between minimum legal wage and fair wage, arena will evaluate the methods of intervention in collaboration with local CSOs, trade unions and workers' representatives.

arena will communicate progress to its stakeholders on fair compensation together with other relevant key performance indicators of Corporate Social Responsibility. arena has in fact just launched its first reporting project which will lead the Company to publicly release the first version of its Sustainability Report by 2023 adopting the GRI Standards.

In addition to this activity, arena has started collaborations with its key suppliers with the aim of strengthening the purchasing power of workers through the sharing of best practices among all of them and, when feasible, also with the activation of local agreements that give workers the opportunity to access services or goods at a lower price.