



## Approval Criteria

Before a factory is approved to produce for Allbirds, it must pass a social and environmental audit as part of its evaluation. Audits are scored and factories are rated as Green (Low Risk), Yellow (Medium Risk), Orange (High Risk), or Red (Zero Tolerance). A passing audit is either Green or Yellow.

Factories are given a Responsible Sourcing score based on the highest risk level of non-compliance found in the audit. We use this approach for scoring audits because it is simple, straightforward and easy to communicate to our supplier partners.

- If the most severe non-compliance found in the audit is a Minor, the factory is Green (Low Risk).
- If the most severe non-compliance found in the audit is a Major, the factory is Yellow (Medium Risk).
- If the most severe non-compliance found in the audit is a High Risk, the factory is Orange (High Risk).
- If the most severe non-compliance found in the audit is a Zero Tolerance, the factory is Red (Zero Tolerance).

Audit Score	Green	Yellow	Orange	Red
Approved for production	Approved for production	Approved for production	Existing Factories: Approved for production on a probationary basis.  New Factories: Not approved for production	Approved for production
Description	Factory meets our standards, or has minor findings. Corrective Action Plan required if there are findings	Factory has major non-compliances. Corrective Action Plan required	Factory has high risk non-compliances. Corrective Action Plan required with significant support from Allbirds Responsible Sourcing and Production teams	Factory has high risk non-compliances. Corrective Action Plan required with significant support from Allbirds Responsible Sourcing and Production teams
Next audit	12 months	12 months	3-6 months	1-3 months