

THREDUP



LTSE POLICIES:

Pioneering a Long-Term Standard

POLICY ONE: LONG-TERM STAKEHOLDER POLICY

Underlying Principle: Long-Term focused companies should consider a broader group of stakeholders and the critical role they play in one another's success.

POLICY INTRODUCTION

thredUP is a mission-driven company. Our mission is to inspire a new generation of consumers to think secondhand first. We seek to reduce fashion waste by extending the life of clothing through resale, reuse, and responsible recycling. Our business creates a positive impact for our buyers, sellers, brand and retail clients, employees, investors and the environment, and we recognize the critical role each of these plays in our long-term success. With the collective power of all our stakeholders, we can pioneer a more sustainable future for the fashion industry.

THE ENVIRONMENT

The environment is one of our most important stakeholders and combating the harmful effects of disposable fashion is one of our greatest goals. By promoting a scalable, mainstream market for resale, thredUP drives meaningful impact for the planet by helping to offset the environmental cost of fashion. Our business of reselling secondhand apparel sourced from consumers' closets helps reduce fashion's overall environmental footprint. We believe in measuring this impact and commit to annually providing statistics on the carbon, water, energy, and waste impacts of our business. We believe our scalable, resale business model is a powerful solution to the fashion industry's wastefulness. Buying an item on our marketplace offsets the need to manufacture a new item, where the majority of fashion's water consumption, energy emissions and chemical usage occur. This supports a circular model for fashion by extending the life cycle of clothing, increasing utilization and diverting clothing from landfills. Items that don't qualify for listing on our core marketplace are reused or responsibly recycled by our vetted network of reuse partners. All of our partners must adhere to thredUP's Aftermarket Partner Code of Conduct —requiring transparency, integrity, awareness of the environmental impact, and respect for developing nations.

Beyond the positive environmental impact of our business model, we actively manage the environmental footprint of our operations. We believe in accountability, and we are committed to disclosing the greenhouse gas emissions of our operations and setting emissions reduction targets. We plan to continue to seek out additional initiatives that can lower our overall environmental impact.

POLICY ONE: LONG-TERM STAKEHOLDER POLICY (cont'd)

Underlying Principle: Long-Term focused companies should consider a broader group of stakeholders and the critical role they play in one another's success.

THE ENVIRONMENT (cont'd)

As part of our mission, we are focused on educating the world about fashion waste, helping consumers understand how their fashion habits contribute to climate change and empowering individuals with the tools they need to make more sustainable fashion choices. We are also in the business of directly supporting brands and retailers to embrace a more sustainable, circular future through our Resale-as-a-Service (RaaS) program.

We believe in seeking to quantify the impact of our actions more broadly, and thus we annually publish a Resale Report to highlight the rapidly emerging resale economy and an Impact Report that outlines all of thredUP's ESG efforts. Additionally, we engage in public policy advocacy in partnership with industry groups and coalitions to educate policymakers and shape relevant public policy. We believe these efforts will be key for combating the fashion industry's environmental impact. When appropriate, we publicly support legislation that positively impacts these issues.

COMMUNITY

We believe thredUP provides consumers with an opportunity to shop sustainably in an affordable way, creating a positive economic impact in their lives. We enable buyers to find high-quality secondhand items at more affordable prices (up to 90% off estimated retail prices) and enable sellers to conveniently clean out their closets, unlocking economic value for themselves or for the charity of their choice.

DIVERSITY, EQUITY, INCLUSION, AND BELONGING

As a diverse and inclusive workplace, we are constantly working to ensure our employees and professional contractors are comfortable bringing their authentic selves to work every day. We believe that a unique perspective is critical to solving complex problems and inspiring a new generation of consumers to think secondhand first. We are committed to increasing diversity and representation through our diversity, equity, inclusion, and belonging initiatives. We particularly work to attract, retain and develop skilled employees of all backgrounds, including in our distribution centers, and develop programs to help achieve this goal. We believe that our board of directors should reflect a diverse body, and our Nominating and ESG Committee considers a broad range of backgrounds and experiences. We believe that a commitment to diversity requires transparency, and thus we commit to disclosing our diversity on an annual basis, providing information on both our workforce and our board, and setting diversity goals as appropriate.

POLICY ONE: LONG-TERM STAKEHOLDER POLICY (cont'd)

Underlying Principle: Long-Term focused companies should consider a broader group of stakeholders and the critical role they play in one another's success.

EMPLOYEES

Our business impacts society by engaging various stakeholders, but it starts with our employees. We believe our people are our greatest asset. We have a mission-driven culture that emphasizes education, learning, and growth across all roles.

We are committed to providing comprehensive benefit options that will allow our employees and their families to live healthier and more secure lives. To support the progression and career advancement of our employees, we offer a variety of rich learning and development programs. We prioritize the personal and career growth of our distribution center employees through programs designed to provide greater flexibility and financial security. Specifically, our employee navigation program provides our distribution center employees with the tools, training, and information needed to succeed both inside and outside of work. We cover topics ranging from personal finances, how to apply for a loan, english-as-a-second language (ESL), etc.

We leverage both formal and informal programs to identify, foster and retain top talent at both the corporate and operating unit level. We encourage greater work/life balance with a paid sabbatical every 3 years, flexible PTO, and a 4-day work week. All full-time United States based employees are eligible to participate in our employee stock purchase plan and 401K program.

ESG GOVERNANCE

Our commitment to our stakeholders is further ensured by the governance structure we have created to promote responsibility and accountability for ESG matters across our company. We are committed to sustainable and ethical business practices and have implemented ESG policies and goals throughout our company to formalize and manage our commitment over time. We have an employee-led Corporate Social Responsibility (CSR) Committee, with participation from executive management and senior members of our operations, finance, marketing, people and legal teams. Our CSR Committee meets quarterly and reports to executive management and the board. The board has explicit responsibility for ESG oversight, pursuant to the charter of the Nominating and ESG Committee which charges the Committee with monitoring the Company's approach to corporate social responsibility and ensuring it is aligned with the Company's overall business strategy and corporate and social obligations as a responsible citizen. The Committee has an explicit charge to review with management the impact of the Company's business operations and business practices with respect to issues such as environment, health and safety, diversity and inclusion, corporate citizenship, public policy and community involvement.

POLICY TWO: LONG-TERM STRATEGY POLICY

Underlying Principle: Long-term focused companies should measure success in years and decades and prioritize long-term decision-making.

We are on a mission to build a generation-defining company that changes the way the world shops and ushers in a new era of sustainable shopping. Thus, we measure our long-term success in terms of generational impact.

We are driven by the belief that businesses that are harder to build in the short-term can have extraordinary long-term impact. Our impact flows from our long-term strategy. We believe that clear strategy is essential to building enduring, transformational companies. Thus, we engage in medium-term and long-term strategic planning cycles that map back to our long-term vision. We believe that a long-term strategy designed for generational impact must balance the need to adapt to changing environments in the short-term with adherence to the strategic principles that differentiate our business over the long-term.

Our management team's clear sense of mission, commitment to our values and long-term focus on transforming resale through technology are central to our success. Our success metrics include those discussed above in our Long-Term Stakeholder Policy, financial metrics shared in our regular reporting, and a series of internal metrics we use to measure both short and long-term progress. We seek to prioritize long-term thinking with a sense of urgency, and always aim to balance the demands of near-term scrutiny with our commitment to investing for long-term value creation. Thus, we have leading indicators that measure our near-term progress in the broader context of our long-term goals. In addition, as described further in our Long-Term Executive Compensation Policy, we seek to align compensation of executives and board members with our long-term goals to further ensure their prioritization.

POLICY THREE: LONG-TERM EXECUTIVE COMPENSATION POLICY

Underlying Principle: Long-term focused companies should align executive compensation and board compensation with long-term performance.

The thredUP executive compensation programs are designed to attract, motivate, incentivize and retain our executive officers, who contribute to our long-term success, and use equity grants to provide executives with a strong link to long-term performance. Pay that is competitive, rewards performance and effectively aligns the interests of our executive officers with those of our long-term stockholders is key to our compensation program design and decisions. We structure our executive compensation programs to be heavily weighted towards long-term equity incentives that correlate with the growth of sustainable long-term value for our stockholders. We believe that equity grants provide our executives and board members with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives, our board members and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period. Accordingly, our board of directors periodically review the equity incentive compensation of our named executive officers and may grant equity incentive awards to them from time to time.

POLICY FOUR: LONG-TERM BOARD POLICY

Underlying Principle: Boards of directors of long-term focused companies should be engaged in, and have explicit oversight of, long-term strategy.

Membership on our board requires a commitment to the long-term interests of our stockholders. Certain long-term responsibilities of the board related to our ESG performance explicitly rest with the Nominating and ESG Committee. More specifically, this Committee is charged in its Charter to:

- Monitor the Company's approach to corporate social responsibility and ensure it is aligned with the Company's overall business strategy and corporate and social obligations as a responsible citizen.
- Review corporate citizenship and sustainability initiatives and targets to assist the Company in appropriately addressing its responsibilities as a global corporate citizen.
- Review with management the impact of the Company's business operations and business practices with respect to issues such as environment, health and safety, diversity and inclusion, corporate citizenship, public policy and community involvement.
- Periodically report to the board with regards to the Company's environmental, social and governance programs, including potential long-term and short-term trends and the impact of environmental, social and governance issues on the Company.

Since our mission is to inspire a new generation of consumers, the entire board shares the overall responsibility for oversight of long-term strategy and long-term metrics.

POLICY FIVE: LONG-TERM SHAREHOLDER POLICY

Underlying Principle: Long-term focused companies should engage with their long-term shareholders.

We are committed to engaging with long-term and sustainability-focused investors. We will be leveraging LTSE tools that help us accurately identify, monitor, and track long-term investor quality and growth trends in order to target and attract appropriately aligned capital. We believe that aligning ourselves with long-term and sustainability-focused investors will support our long-term strategy and optimize long-term value creation for our investors and the broader group of thredUP stakeholders.