

# SUPPLIER GUIDELINES



## DEFINITIONS

**Assessment:** A process by which FOTL, an external monitor or other business partner determines whether a Facility is in compliance with specified requirements and identifies deficiencies and areas of concern.

**Corrective Action Plan (“CAP”):** The plan of action that details methods to remedy any findings in a social compliance or security Assessment report. The CAP lists each finding, the root cause of the finding, the action that must be taken to correct the finding, the responsible party, the deadline date, and status for completing the action item.

**Facility:** The physical location where goods are being produced or warehoused at any stage of the Supply Chain.

**Fair Labor Association (“FLA”):** An international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world’s factories and farms are paid fairly and protected from risks to their health, safety, and well-being.

**International Labour Organization (“ILO”):** The only tripartite United Nations agency, bringing together governments, employers, and workers of member states to set labor standards, develop policies, and devise programs promoting decent work for all women and men.

**Subcontractor:** Any business other than the supplier to which Fruit of the Loom (or its affiliate) has issued its purchase order that performs a process directly related to the production of the product for Fruit of the Loom by the supplier. Examples of subcontracted processes could be cutting, sewing, or any operation thereafter (e.g., embroidery, printing, or laundering of a branded finished product).

**Supply Chain:** The network of all the individuals, organizations, resources, activities and technology involved in the creation and sale of a product, from the delivery of source materials from the supplier to the manufacturer, through to its eventual delivery to the end customer.

## OVERVIEW OF COMPLIANCE PROGRAM

At Fruit of the Loom and our affiliated companies (collectively, “Fruit of the Loom” or “FOTL”), we are committed to ensuring that our company conducts business in a socially responsible fashion, balancing the needs of the business with our impact on the environment, the people involved in our Supply Chain, and the communities in which we operate. We choose suppliers that share our commitment and work with us to achieve a sustainable Supply Chain.

The Code of Conduct is the starting point for establishing ethical and lawful business practices, as well as respect for human rights and the environment. Suppliers’ adherence to the FOTL Code of Conduct is monitored through regular Assessments conducted by third party Assessment firms. Suppliers are expected to be transparent about their operations at all times.

We promote an environment of continuous improvement and we are available to provide support as opportunities for improvement arise. We must work together within a Supply Chain in which the needs of the business and the people are met, and which operates in a way that minimizes impacts to the shared environment.

The Supplier Guidelines serve as a resource that outlines Fruit of the Loom’s social compliance expectations for Facilities involved in the manufacturing of our family of brands, either directly for Fruit of the Loom or for an affiliate.

The checkmark symbol throughout this document highlights specific actions required.

## POLICIES

### CODE OF CONDUCT

At FOTL, we are committed to conducting business in accordance with the highest standards of business ethics and respect for human rights and the environment. We require the same commitment from all Facilities that supply our products, including, but not limited to, contractors, Subcontractors, licensees, and other designated business partners. The Supplier Code of Conduct reflects the standards by which we ensure that commitment is met by suppliers and is guided by principles from the ILO Fundamental Conventions and the FLA Workplace Code of Conduct.



The current FOTL Code of Conduct is required to be posted in language(s) understood by every employee, including foreign migrants, in an area within the Facility that is easily visible and accessible to all employees and visitors. It must be 11x17 inches or A3 in size. All employees must be trained on the FOTL Code of Conduct annually. Records must be sent to FOTL upon request. FOTL provides Code of Conduct training to supplier management teams.

### U.S. CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM ("C-TPAT")

The United States government formed the C-TPAT program to secure trade channels against terrorism and to protect U.S. borders. We strive to ensure that terrorists, terrorist weapons and materials, and other contraband do not enter our Supply Chain and that the products and materials are not tampered with, lost, or stolen.



Please note the following requirements for suppliers that ship to the U.S. as part of these efforts:

- All suppliers that ship to the U.S. are required to complete FOTL's CTPAT Workbook ("C-TPAT Security Questionnaire") annually.
- All suppliers that ship to the U.S. are required to use a C-TPAT-approved ISO 17712:2013 high security seal.
- All suppliers are to complete the Container Inspection & Seal Verification Checklist for each container and upload the checklist in the Supplier Portal under container checklist document type.
- All suppliers that ship to the U.S. are required to undergo a security Assessment conducted by a third-party Assessment Firm. SCAN or WRAP security Assessments are acceptable to comply with this requirement.
- U.S. Customs randomly Assesses suppliers (that ship to the U.S.) to evaluate security measures in place.

## CONFLICT MINERALS

On August 22, 2012, the U.S. Securities and Exchange Commission adopted a final rule as mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, to require publicly-held companies, or issuers, to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (“DRC”) or an adjoining country (together with the DRC, “Covered Countries”). Under Section 1502, the term “conflict minerals” includes tantalum (derived from columbite-tantalite), tin (derived from cassiterite) tungsten (derived from wolframite), and gold. Covered Countries include the DRC, and the adjoining countries to the DRC: Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.



The rule applies to all products manufactured on or after January 31, 2013.



To aid in the identification and reporting of conflict minerals usage to the U.S. government, each new supplier is required to evaluate its Supply Chain by filling out FOTL’s Excel Conflict Minerals Questionnaire. Suppliers will be randomly selected annually to complete a new Conflict Minerals Questionnaire, the completion of which will also serve to ratify and confirm the accuracy and completeness of all prior responses thereto. In addition, we expect all suppliers and licensees to constantly review their Supply Chain and notify us immediately if any conflict minerals are used, and upon the occurrence of any event that would make any responses to the Conflict Minerals Questionnaire inaccurate or incomplete.

## FORCED LABOR

Fruit of the Loom prohibits the use of “Forced Labor,” including, but not limited to, prison labor, indentured or slave labor, or bonded labor, in its Supply Chain. The FOTL Code of Conduct mandates that suppliers monitor their own Supply Chain and adopt measures to ensure that their Facilities, and those Facilities within their Supply Chain, do not engage in Forced Labor or human trafficking practices. In other words, all suppliers, contractors, Subcontractors, licensees, and other designated business partners of Fruit of the Loom must prohibit Forced Labor and human trafficking in their own Supply Chains and provide evidence of compliance efforts upon request. As further guidance, the following shall apply to all suppliers, contractors, subcontractors, licensees, and other designated business partners of Fruit of the Loom:

- No prisoners, indentured, slave or bonded labor are permitted.

- Workers must not be in debt to a third party or the employer due to recruitment or placement.
- Workers must not pay any fees, taxes, deposits, or bonds for employment related costs during recruitment, placement or for continued employment. The foregoing does not include income tax deductions, social insurance, or other similar withholdings legally required by government authorities. Examples of prohibited fees: Recruitment agent fee/commission, legally required medical tests or immunizations, passport, work visa/permit, international travel, identification badge or timecard, notary, or other legal fees.
- The actual terms and conditions of employment must be compliant with the contracts signed at the time of recruitment.
- Migrants must be informed of the basic terms of employment before leaving home.
- Workers' personal identification documents and money must not be controlled or held by the Facility or employment agency, even with written consent from workers.
- Workers must not be required to live in Facility-provided housing.
- Workers must not be restricted from leaving the Facility after work and during unpaid breaks.
- Overtime work must be consensual, even for employees who have not met production target/quota.
- There must be a written policy on Forced Labor and a procedure to ensure Forced Labor and human trafficking are not utilized in the Supply Chain.
- The Forced Labor policy and procedure must be reviewed and updated annually.
- Records of any instances of Forced Labor and record of origin of cotton (if applicable) must be maintained.
- Employees, including supervisors, must be trained on the Forced Labor policy and procedure relevant to their position when procedures are revised, and training records must be maintained.

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## UZBEKISTAN AND TURKMENISTAN COTTON



Cotton produced in Uzbekistan and Turkmenistan is known to be harvested by state-sponsored Forced Labor. Child and Forced Labor practices are a zero-tolerance violation of the company's Code of Conduct and will not be accepted under any circumstances. As a company committed to respect for human rights, we require our business partners to refrain from purchasing cotton directly or indirectly from Uzbekistan or Turkmenistan or knowingly using yarn or textiles from vendors that source cotton from Uzbekistan or Turkmenistan when manufacturing any FOTL products. In addition, we require that our business partners maintain records identifying the origin of the cotton used in the manufacturing of all products made for FOTL and have the records available for review during Assessments.

We are committed to staying informed about this very serious issue, and any violation to this policy will be appropriately remediated or ultimately result in the termination of the business relationship with our company.

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## NORTH KOREAN LABOR

Under the United States law, Countering America's Adversaries Through Sanctions Act ("CAATSA"), with few exceptions, any significant merchandise mined, produced, or manufactured wholly or in part by North Korean nationals or citizens is prohibited from entry into the United States. Our suppliers and licensees are responsible for ensuring that no Forced Labor is being used in their production and Supply Chain, and that, absent written permission from our company, no North Korean citizens or nationals are used in their production and Supply Chain. This includes all licensees and all tier levels of suppliers down to the raw material suppliers.

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## XINJIANG UYGHUR AUTONOMOUS REGION ("XUAR") IN CHINA

The United States Congress passed the Uyghur Forced Labor Prevention Act ("UFLPA"), amending the Uyghur Human Rights Policy Act of 2020, in response to allegations of human rights abuses and forced labor practices in the XUAR. The UFLPA bans the importation into the U.S. of goods mined, produced, or manufactured, wholly or in part, in the XUAR; produced by certain entities working with the XUAR government to recruit, transport, harbor, or receive forced labor; or produced by entities that source material from the XUAR. In order to overcome the UFLPA's rebuttable presumption an importer must establish, by clear and convincing evidence, that the goods were not produced through the use of forced labor. The UFLPA also authorizes sanctions against persons determined to be engaged in, responsible for, or facilitating forced labor in the XUAR. U.S. Customs and Border Protection ("CBP") has been authorized to issue Withhold Release Orders ("WROs") related to forced labor in the Supply Chain.

In addition to the UFLPA, the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) designated additional entities as “Chinese Military-Industrial Complex Companies” (“CMICs”) and added them to its “Non-SDN Chinese Military-Industrial Complex Companies List (the “NS-CMIC List”) for actively supporting biometric surveillance, tracking, and facial recognition of ethnic and religious minorities in China, and predominantly those in the XUAR. U.S. persons are prohibited from engaging in certain transactions in publicly traded securities issued by a CMIC on the NS-CMIC List. OFAC had previously designated individuals and entities for their connection to human rights abuses against ethnic minorities in the XUAR under its Global Magnitsky Sanctions Regulations.

Additionally, the U.S. Commerce Department’s Bureau of Industry and Security (“BIS”) issued a final rule adding new foreign entities to its “Entity List.” The Entity List identifies entities that are involved in activities contrary to the national security or foreign policy interests of the United States, which activities include human rights abuses and forced labor practices in the XUAR. Entities on the Entity List are subject to licensing requirements and policies supplemental to those found elsewhere in the Export Administration Regulations, and no license exceptions are available for exports, reexports, or in-country transfers to the newly-added entities.

In July 2021, the U.S. Departments of State, Treasury, Commerce, and Homeland Security jointly issued, and subsequently updated, a Xinjiang Supply Chain Advisory, which outlined the risks that businesses and individuals would face should they not exit Supply Chains, ventures, or investments connected to the XUAR.

FOTL’s suppliers may not produce, manufacture, or source goods or materials (including, without limitation, cotton and cotton inputs), in or from the XUAR, or otherwise support, directly or indirectly, the activities of any CMIC on the NS-CMIC List, any entity on the BIS Entity List, or any of its or their subsidiaries. Documentation of the foregoing, satisfactory to FOTL in its sole discretion, shall be provided upon request (please see Supply Chain Mapping section on page 9). FOTL’s suppliers that do business with and in China must review new developments on a regular basis and make sure that their policies and procedures align with current economic, sanction, export, and import requirements.

## COMPLIANCE ASSESSMENT

Facilities and Subcontractors must be Assessed for compliance with the elements of the Code of Conduct. Assessments are conducted by representatives of third-party Assessment Firms, which have legal expertise and knowledge of the local language and culture.



Prompt payment of Assessments is the responsibility of the supplier before the Assessment takes place. FOTL reserves the right, however, to schedule unannounced Assessments at the cost of our company.



Prior to receiving the first purchase order, Facilities and Subcontractors must be Assessed and written acceptance must be given by the FOTL Corporate Social Responsibility department. To continue receiving orders, annual Assessments are required, and all social compliance Assessments must be provided upon request. Suppliers are also responsible for remediating findings from an Assessment, which are identified in the CAP, within an agreed timeframe. We expect suppliers to diligently work towards compliance with the Code of Conduct or the local law, whichever provides the higher level of protection for the workers.

Fruit of the Loom is an accredited participating company in the Fair Labor Association, an organization that combines efforts of industry, civil society, colleges, and universities to improve working conditions globally. Independent Assessments of our business partners are a component of this participation. The FLA's Sustainable Compliance Initiative ("SCI") methodology follows a management systems approach and is more substantive, consultative, and interactive than the standard social compliance Assessments. The FLA also collects, organizes, and benchmarks compensation data within the SCI scope. Suppliers must be willing to accept SCI Assessments and suppliers are responsible for remediating findings from an SCI Assessment by the stated deadlines. SCI Assessments are only conducted in owned and supplier Facilities. You will be notified in advance of any SCI Assessments.

## FACTORY SAFETY: BANGLADESH

Facilities in Bangladesh must coordinate and cooperate fully with Fruit of the Loom with respect to meeting the requirements of either the Nirapon or RMG Sustainability Council ("RSC") organizations.

## SUPPLY CHAIN MAPPING

Our Sustainability Plan, "Fruitful Futures," includes our commitment to sourcing sustainably from transparent Supply Chains. It is our intention to map 100% of our Supply Chain to raw materials by 2025. This is a key step for both CBP requirements and in our work to understand the locations where, and safeguard the conditions in which, our products are produced.

Facilities are required to complete a supply chain mapping spreadsheet identifying sources of raw materials within the entire supply chain from final assembly manufacturers to raw materials, including trims, such as sewing threads and elastics for apparel goods and nuts, bolts, plastic, rubber and leather for hardgoods. Facilities may also be asked to complete a FOTL questionnaire about their supply chain. Affidavits and other business documentation, such as purchase orders, invoices, proof of payment, receipt documentation, transportation documentation, and production reports from all stages of the Supply Chain may be requested at any time and are required if a container is detained by CBP. This documentation must be obtained from all business partners in the Supply Chain within 20 days of request.