



CA Transparency in Supply Chains Act Statement

In 2010, the California Transparency in Supply Chains Act (SB 657) was enacted with a requirement that every retail seller and manufacturer doing business in the state of California and having annual worldwide receipts that exceed \$100 million shall disclose its efforts to eradicate forced labor, human trafficking, and slavery from its direct supply chain. The following statement details Colosseum's efforts to meet each provision outlined in the Act.

1. Verification of product supply chains to evaluate and address risks of human trafficking and slavery.

All sourcing is done through our overseas offices in China and Vietnam, with oversight from senior management at Colosseum's headquarters in California. Reports of human trafficking and slavery in these countries are monitored closely by CSR staff, and used in risk analyses when grading potential new suppliers. In addition, information gathered from government reports, civil society outreach, and industry publications (such as the Fair Labor Association's annual reports and independent external assessment reports) is used to evaluate and address these risks in our supply chain.

2. Conduct audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains.

As a Fair Labor Association Participating Company, Colosseum has fully adopted the FLA Code of Conduct and supporting compliance benchmarks. All suppliers are audited on an annual basis by FLA-accredited monitors. In addition to auditing against the other Code elements, monitors are instructed to look for potential issues of forced or trafficked labor through document review and confidential worker interviews. They also review recruitment and hiring practices to determine if the appropriate procedures are in place to identify and prevent forced or trafficked labor.

3. Certification by direct suppliers that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

All direct suppliers are required to sign a contract with Colosseum mandating adherence to the Code of Conduct standards, FLA compliance benchmarks, as well as local and national labor laws. The first benchmark under the Forced Labor standards within the FLA compliance benchmark document states:

"F.1 General Compliance Forced Labor - Employers shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking."

4. Create internal accountability standards and procedure for employees or contractors failing to meet company standards regarding slavery and trafficking.

Both internal and overseas employees, as well as contractors, are held to Colosseum's accountability standards and procedures related to the Code of Conduct and compliance program. Relevant department heads have responsible sourcing, purchasing, and production language written into their job descriptions and are assessed on their performance in meeting these during annual reviews.

Direct suppliers are assessed every year on their compliance performance, including their commitment to and efforts put forth in meeting our Code of Conduct and benchmarks. This includes performance on meeting benchmarks related to forced labor, human trafficking, and slavery. Annual scores are submitted to Colosseum's senior management, purchasing, and sourcing departments so that compliance performance is considered when allocating future orders.

Any instances of forced labor, human trafficking, or slavery found at these suppliers would be considered zero tolerance, and Colosseum would work closely with the supplier to remediate the issue. If satisfactory progress was not made, Colosseum would have the right to terminate the relationship.

5. Training to company employees and management who have direct responsibility for supply chain management on issues of human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

Colosseum Code of Conduct and compliance program training is conducted at regular intervals for all company staff. The training for staff involved in sourcing also focuses on identifying and alleviating compliance risks in the supply chain related to the Code provisions (i.e. child labor, forced labor, discrimination, harassment and abuse, etc.). Corporate Social Responsibility staff also engages on these issues regularly with other companies and organizations focused on eliminating forced labor, human trafficking, and slavery in global supply chains.