

## TOPSON DOWNS SOCIAL RESPONSIBILITY

While Topson Downs of California Inc. recognizes that there are different legal and cultural environments in which factories operate throughout the world, our Code of Conduct sets forth the basic requirements that all factories must meet in order to do business with us. This Code of Conduct is based on internationally accepted labor standards, including the United Nations Universal Declaration of Human Rights. Our Code provides the foundation for our ongoing evaluation of a factory's employment practices and environmental compliance.

Under no circumstances is it acceptable for child, forced or trafficked labor to be used in the production of any Topson Downs product. We believe that no person should be subject to a situation where basic needs and fundamental rights are denied. Topson Downs' Code of Conduct explicitly states that forced labor or child labor or involuntary labor of any kind is strictly prohibited.

In 2010, a law was passed in the state of California requiring companies to disclose what they are doing to address human trafficking in their supply chains. This Act, known as SB657, seeks to "educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains...to improve the lives of victims of slavery and human trafficking."

There are 5 main points of this Act outlined in bold below, with Topson Downs explanation below of what we are doing to address each of them.

### **1- Company engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.**

- Topson Downs monitors nearly 100% of the garment factories that produce apparel for us.
- We conduct both announced and unannounced audits to verify compliance with our Code of Conduct, which includes prohibition of forced labor and involuntary labor.
- Our audits are conducted by our own team of Social Compliance Auditors and/or by UL-STR - an internationally accredited third-party auditing firm.

### **2- Company conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.**

- Topson Downs conducts both announced and unannounced audits in factories that produce our apparel.
- Our Code of Conduct states that factories must not use forced or involuntary labor of any kind. Human trafficking and slavery fall under the categorization of "forced labor" and "involuntary labor".

- Our factories must allow Topson Downs and/or any of its representatives unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

**3- Company requires direct suppliers to certify that materials incorporated into the product comply with laws regarding slavery and human trafficking of the country or countries in which they are doing business.**

- Topson Downs requires that all factories producing our apparel shall operate in full compliance with the laws of their countries, including those relating to labor and worker health and safety.

**4- Company maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.**

- Failure of employees to abide by our Code of Conduct can result in corrective action up to and including termination of employment.
- Failure of factories to abide to our Code of Conduct can result in corrective action up to and including the termination of business.

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

- Topson Downs Social Compliance Director and Team work directly with factory management and workers in the factories that we monitor.
- Our Social Compliance Team is trained in how to identify situations that pose potential risks for involuntary labor of any kind.