



CA Transparency in Supply Chains Act Statement *Updated June 2021*

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 vetting potential new suppliers. In addition, information gathered from government reports, civil society outreach, and industry publications is used to evaluate and address these risks in our supply chain.

In 2019, Colosseum joined the Commitment to Responsible Recruitment, a joint initiative from the American Apparel and Footwear Association (AAFA) and the Fair Labor Association (FLA) that aims to address the potential forced labor risks for migrant workers in the global supply chain. Currently, there are over 150 signatories.

Commitment to Responsible Recruitment:

As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One important part of this ongoing effort is working together to eliminate conditions that can lead to forced labor in the countries from which we source products.

We commit to work with our global supply chain partners to create conditions so that:

- *No workers pay for their job*
- *Workers retain control of their travel documents and have full freedom of movement; and*
- *All workers are informed of the basic terms of their employment before leaving home.*

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 specifically 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 2021 versions of the contract and annual supplier commitment form include language specifically calling out Colosseum's Commitment to Responsible Recruitment.

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 CSR 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 retains 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 CSR 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.). CSR 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.

As a signatory of the Commitment to Responsible Recruitment, additional training is provided to CSR field staff related to the key pillars of the commitment and Colosseum's ongoing effort to eliminate conditions that can lead to forced labor in the countries from which we source products.