

# Human Trafficking and Modern Slavery Disclosure Statement

In compliance with the regulations of the *California Transparency in Supply Chains Act* (SB 657) ("CTSCA") and the *UK Modern Slavery Act of 2015* ("MSA"), the following Statement discloses and updates the policies and actions of Fruit of the Loom and affiliated companies, including Fruit of the Loom, Inc.; Union Underwear Company, Inc. d/b/a Fruit of the Loom; Fruit of the Loom, Ltd.; Vanity Fair Brands, LP, and Russell Brands, LLC (collectively, "Fruit of the Loom" or "Company") relating to human trafficking and modern slavery in our global supply chain during 2018.

Fruit of the Loom defines human trafficking as an act of recruiting, transporting, transferring, harboring, or receiving a person through the use of force, coercion, or other means, for the purpose of exploitation. Fruit of the Loom defines modern slavery broadly to include any form of servitude, forced or compulsory labor and human trafficking.

We are committed to continuously monitor and improve the effectiveness of our prevention efforts, and will incorporate key learnings into the enhancement of our policies and practices to eliminate any form of human trafficking or modern slavery in the factories producing our family of brands.



Melissa Burgess Taylor  
Chairman and Chief Executive Officer  
June 2019

## Progress

Modern Slavery and human trafficking are complex issues that require diligence and collaboration at all levels of our supply chain. To combat those risks, we are focused on the following actions:

- 1) Gathering detailed data from existing suppliers, and in the onboarding process for new suppliers, on issues such as the use of migrant workers, the use of recruitment agencies, the level of experience required for each manufacturing process and the seasonality of production. In 2018, we completed the mapping of the total supply chain for our European business and expanded the scope of that effort to include suppliers for the U.S. market;
- 2) Filtering the data through a matrix designed to identify key areas of human trafficking and forced labor risk within the supply chain;
- 3) Enhancing our audit tool, benchmarks, and interview questions in an effort to better identify modern slavery and human trafficking indicators; and
- 4) Targeted, detailed monitoring of suppliers in higher risk areas.

Additionally, Fruit of the Loom personnel visited suppliers in Shandong Province, China, near the North Korean border, to confirm that no North Koreans were employed in their supply

chains, and we also began requiring suppliers and licensees to confirm in writing that no North Koreans are employed in their supply chains. Similar efforts have taken place recently with respect to the China Uighur issue in China's Xinjiang Province.

## Accountability

Fruit of the Loom has strict standards for employees or suppliers who fail to meet Fruit of the Loom's requirements for the prevention of human trafficking and modern slavery in our supply chain. We attempt to work with all suppliers to ensure their ability to operate according to our compliance standards. However, if evidence of human trafficking or modern slavery is identified and is not immediately remedied or otherwise appropriately addressed to our satisfaction, we will terminate the business relationship with the offending party.

Out of 382 factory assessments conducted in 2018, ten findings in the area of forced labor were identified, including:

- Lack of or insufficient written policy on forced labor or procedure to ensure forced labor is not utilized in the supply chain;
- Forced labor policy and procedure not reviewed annually;
- Lack of training for workers on forced labor policy and procedure;
- Payment of fees by foreign migrant workers for the purposes of recruitment or employment; and
- Penalization of workers for not meeting production target.

All of the findings were addressed with the factories through a combination of corrective action plans and on-site factory visits, and we are closely monitoring those corrective action plans for ongoing compliance.

Additionally, in April 2018, we were made aware of forced labor allegations at one of our supplier factories in Malaysia during and prior to 2017. Immediately upon receipt of the notice, we commissioned an independent investigation of the allegations, which confirmed certain allegations with respect to recruitment fees paid by migrant workers and limited access to their passports. The supplier continues remediation efforts with respect to the corrective actions identified, and we will continue to follow up to ensure effective remediation.

## Training

Fruit of the Loom conducts internal training on our Code of Conduct to ensure the necessary participants in supply chain management understand our commitments and requirements, including those related to human trafficking and modern slavery, with a particular focus on mitigating risks. During factory visits in 2018, we continued to raise awareness of human trafficking and modern slavery with factory management teams. All suppliers are provided with our Code of Conduct in the local language(s), are required to post the Code of Conduct in a conspicuous location and must train employees annually on its contents. Additionally, in 2018, our Corporate Social Responsibility team provided more than 200 hours of in-person training to employees and key partners covering our human trafficking and modern slavery policies.



## Factory Assessments

Our [Social Compliance Assessment Program](#) is designed to evaluate factories' compliance with our Code of Conduct. Factories that we own and operate, as well as finished goods contractors – including subcontractors directly sourced by our Company or a licensee – are typically assessed by an accredited third-party or Fruit of the Loom staff on an annual basis. Assessments are typically scheduled with factories, but we reserve the right to perform unannounced assessments at our discretion.

We have incorporated efforts to detect forced labor, including modern slavery and/or human trafficking, into our factory assessments. By acceptance of our Supplier or Manufacturing Agreement, including our Code of Conduct, our suppliers and licensees certify that the products supplied to us effectively comply with applicable laws regarding slavery and human trafficking of the country or countries in which they are doing business. Our Supplier Guidelines, accessible here: <http://www.fotlinc.com/pages/suppliers-resources.html#.XRKC2XmB7ct>, include specific benchmarks to assist our suppliers and licensees in their efforts to prohibit forced labor in their, and our, supply chains. We also provide a means for workers to report suspected violations of the Code of Conduct by phone or by email, and we strictly prohibit any retaliation against persons who report violations.

## Policies

Our Company's Core Values, as well as our [Code of Conduct](#), govern our approach to human trafficking and modern slavery. Respect for People is a critical element of these governing documents that define the culture of our employees and contractors in offices, distribution centers and factories alike. Our Code of Conduct includes the following provision regarding human trafficking and modern slavery:

*“Suppliers will not use forced labor, including, but not limited to, prison labor, indentured or slave labor, or bonded labor. Suppliers will adopt measures to ensure that facilities are not utilized in human trafficking and will monitor their supply chain for such practices.”*

Another policy reflecting our efforts against forced labor is our ban on the use of cotton from Uzbekistan or Turkmenistan, which is known to be harvested by forced labor.

## Our Business

Fruit of the Loom is a private corporation doing business around the world, and, in particular, in California and the United Kingdom. Fruit of the Loom manufactures goods in the apparel and sporting goods industries, and our applicable businesses exceed the financial thresholds which require compliance with the CTSCA and MSA.

[Our supply chain](#) is composed of factories that we own and operate, in addition to factories directly sourced by our Company or licensees that produce our family of brands.