

## CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 (SB 657)

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) went into effect in the State of California. This law was designed to increase the amount of information made available by manufacturers and retailers regarding their efforts (if any) to address the issue of slavery and human trafficking, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

The Randa Global Sourcing and Operating Guidelines – Business Partner Workplace Standard is underpinned by international labor and human rights standards. We will only do business with partners whose workers are in all cases present voluntarily, not put at risk of physical harm, fairly compensated, allowed the right of free association and not exploited in any way. We will not knowingly utilize bonded, indentured, prison or forced labor in contracting relationships in the manufacturing and finishing of our products.

Slavery and human trafficking can take many forms, including forced labor and child labor. Randa has undertaken efforts to ensure and verify the absence of forced labor and child labor in our supply chain. These efforts include:

## RISK-BASED SUPPLIER ASSESSMENTS

Randa performs assessments of potential suppliers according to our risk-based approach. This approach includes preliminary risk assessments and supplier assessment questionnaires performed either by internal or independent third party team.

## SUPPLIER AUDITS

Randa conducts audits of suppliers to evaluate supplier compliance with company standards prohibiting human trafficking, forced labor, prison labor, child labor, and slavery in the supply chain. Various types of annual announced and unannounced audits are conducted under this program, including on-site audits conducted by Randa, collaborative audits with other brands, and third-party on-site audits of practices and underlying management systems. Randa has a zero-tolerance policy for the presence of forced, prison, and child labor. If any zero-tolerance issues are uncovered in audits, we require suppliers to immediately enact remediation plan with follow up audit to confirm resolution of the issue. Failure to quickly resolve violations will lead to termination of business relationship.

## SUPPLIER AGREEMENTS

All suppliers must agree to and adhere to Randa Global Sourcing and Operating Guidelines – Business Partner Workplace Standard. Suppliers are required to comply with international standards and applicable laws and regulations regarding forced, prison, or child labor.

## INTERNAL ACCOUNTABILITY

We require all Randa associates to act ethically and require all suppliers to adhere to the Randa Global Sourcing and Operating Guidelines - Business Partner Workplace Standard. We will investigate any violations of policy and take the appropriate action up to and including termination for associates and termination of agreements for suppliers and contractors.

## TRAINING

Randa conducts training for its supply chain management and internal compliance team on how to identify and respond to unethical supply chain issues, such as forced, prison, or child labor. The Randa internal team and suppliers also attend third party trainings regarding social compliance issues to encompass forced, prison, or child labor to ensure that it is not permitted.