

# 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 (collectively, “Fruit of the Loom” or “Company”) relating to human trafficking and modern slavery in our global supply chain during 2017.

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*

Melissa Burgess Taylor  
Chairman and Chief Executive Officer  
June 2018

## Progress

Modern Slavery and human trafficking are complex issues that require diligence and collaboration at all levels of our supply chain. We continue to focus 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 2017, we collected this data from factories supplying our European markets in the process of mapping our total European supply chain;
- 2) Filtering the data through a matrix that will identify key areas of human trafficking and forced labor risk within the supply chain;
- 3) Enhancing our audit tool, benchmarks, and interview questions, and adding regionally based resources to more frequently visit suppliers; and
- 4) Targeted monitoring of higher risk suppliers based on the risk matrix.
- 5) In 2017, we also completed a risk assessment of key raw material suppliers for our Morocco manufacturing operations, which service our European markets.

## Accountability

Fruit of the Loom has a zero-tolerance policy for employees or suppliers who fail to meet Fruit of the Loom's standards for the prevention of human trafficking and modern slavery in our supply chain. If evidence of human trafficking or modern slavery is identified in our supply chain and is not immediately remedied or otherwise appropriately addressed to our satisfaction, we will terminate the business relationship with the offending party.

Out of 295 factory assessments in 2017, three findings in the area of forced labor were identified. All were the result of not having an established procedure in place at the facility to prevent human trafficking within the supply chain. We also discovered one instance of a person who was 15 years old working in a factory in a country where the legal working age was 16. All of the findings were addressed with the factories through corrective action plans, and we continue to monitor the corrective action plans for 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. Corrective actions have been identified and committed to by the supplier and we will continue to follow up to ensure effective remediation. We will also incorporate key findings from this case into our policies and monitoring protocols with respect to modern slavery and human trafficking.

## 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 2017, 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 2017, our Corporate Social Responsibility team provided more than 150 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 Agreement and/or 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. 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 prohibition of 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 in California and in 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.