

# 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 the policies and actions of Fruit of the Loom and affiliated companies (collectively, “Fruit of the Loom”) relating to human trafficking and modern slavery efforts in our global supply chain during 2016.

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

## 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.

## 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 those 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 on the use of cotton from Uzbekistan, which is known to be harvested with forced labor. We are also introducing an updated third-party due diligence policy and process designed to ensure that the Company only contracts with factories that share our commitment to respect for people in our supply chain, including the prevention of human trafficking and modern slavery.

## 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 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 in our discretion.

We have incorporated efforts at detecting 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.

### 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 264 factory assessments in 2016, 11 findings in the area of forced labor were identified, which included:

- Forced labor policy does not prohibit human trafficking;
- No system in place to prevent human trafficking from the supply chain;
- Workers have paid fees, taxes, deposits, or bonds for the purpose of recruitment or employment.

All of these findings were addressed with the factories through corrective action plans. We continue to research and develop our corporate strategy for addressing recruitment fees.

### 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 2016, we raised awareness of human trafficking and modern slavery with factory management teams. In addition, 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 the contents.

### Effectiveness

Modern Slavery and human trafficking are complex issues that require diligence and collaboration at all levels of our supply chain. We are currently working on the following actions:

- 1) Gathering detailed data from 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;
- 2) Filtering the data through a risk matrix that will identify key areas of risk within our

- supply chain; and
- 3) Targeted monitoring of high-risk areas based on the results of the risk matrix.

We are committed to continuously analyze the effectiveness of our prevention efforts and will incorporate key learnings into enhancements 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  
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