

# California Transparency in Supply Chains Act

Human trafficking and forced labor is a global issue that requires the combined efforts of countries and companies to raise awareness and combat all forms of trafficking. The United Nations defines it 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. Every country is affected by human trafficking, and men, women, and children can fall victim. Abercrombie & Fitch has taken proactive steps to mitigate the risk of human trafficking and forced labor in our supply chain.

## **VERIFICATION**

In order to verify that A&F's product supply chains do not use goods produced by forced or child labor, we regularly review updates to the U.S. Department of Labor's List of Products Produced by Forced or Indentured Child Labor so we can more closely monitor factories that may operate in the countries listed. Factories are also required to go through a rigorous approval process before they join our supply chain, including working with Sourcing, Sustainability, and Quality Assurance departments to make sure the factories meet company standards. As part of the process, new and existing factories are audited by independent, third-party monitoring firms, which includes evaluating potential risks for human trafficking at the audited factory based on factors such as geographic location, production processes, and supply chain sector. The auditors are also monitoring to ensure that if the factory uses an employment agency, the factory and employment agency are in compliance with the local law. Any non-compliance is brought to A&F's attention, and A&F requires the factory's immediate attention for improvement. New factories are audited prior to production, while we typically audit existing factories once per year, but we can visit more or less depending on the factory's performance and track record.

## **AUDITING**

To ensure all the factories in our supply chain are fulfilling their obligation to Abercrombie & Fitch's Vendor Code of Conduct and human trafficking standards, Abercrombie & Fitch hires independent, third-party monitoring firms to audit them regularly. The auditors are experts in the local laws of the countries in which we produce, and they speak the local

languages. Each audit consists of a factory walk-through, confidential interviews with workers, and a review of relative documentation (e.g. payroll, time records, employee age verification, etc.). We typically audit factories once per year, but we can visit more or less depending on the factory's performance and track record. To maintain the integrity of the audit, we do not provide the audit date to the factories ahead of time. However, to ensure the necessary personnel is available and the documentation can be gathered in time, we do offer a two-week window during which we will audit the factory.

For the factories that need to be audited more frequently, such as certain High Risk factories, or when A&F is looking into using a new third-party monitoring firm, one or more associates from A&F's Sustainability department may shadow the audit with the representatives from the monitoring firm to ensure A&F's Vendor Code of Conduct is followed.

## **CERTIFICATION**

Vendors are contractually required to adhere to Abercrombie & Fitch's Vendor Code of Conduct, which states that "Abercrombie & Fitch will not tolerate the use of convict, indentured, slave, bonded, or other forced involuntary labor, including human trafficking, either directly or indirectly, by its vendors, or by any subcontractors utilized by its vendors."

When a vendor accepts a purchase order, they are confirming their compliance with our Vendor Code of Conduct and our zero-tolerance stance on human trafficking and forced labor.

## **INTERNAL ACCOUNTABILITY**

We have a zero-tolerance policy for involuntary labor, human trafficking, and child labor. If any of these findings are uncovered during an audit, the factory must take immediate steps to correct the problem. The factory is required to alert A&F on how they are correcting the issue and a company associate will work directly with the factory to ensure there are no recurrences. In addition, subsequent audits performed at the factory will reference the factory's corrective plan to confirm the issue has been resolved.

## **TRAINING AND AWARENESS**

All internal team members and managers directly involved in Supply Chain Management are required to take a training course on human trafficking and slavery that discusses the risks of human trafficking for business, and actions that can be taken to mitigate the risks.

All of our major vendors are trained on human trafficking, during which they review the clause in our Vendor Code of Conduct regarding involuntary (forced) labor and human trafficking. They also discuss how human trafficking is defined so that they understand the different acts, means, and purposes of human trafficking.

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