

California Transparency in Supply Chains Act

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) came into effect. The Act requires retailers and manufacturers doing business in California to disclose their efforts to eliminate, to the extent they may be present, human trafficking and slavery from their direct supply chains. As a company, we strongly condemn these practices and do not allow them to have a place in our supply chains. Burton's efforts in this area include the following:

- Verification of our direct product supply chains to evaluate and address risks of human trafficking and slavery. These efforts include implementation of a strict Manufacturing Code of Conduct prohibiting slavery, forced labor, human trafficking, under age labor and similar unlawful or immoral conduct. All Burton direct suppliers are required to certify that they fully comply with the Manufacturing Code of Conduct and must post the Manufacturing Code of Conduct in appropriate language in their workplace. Our audits of those in our direct supply chain, both announced and unannounced, are conducted by trained in-house personnel as well as third parties.
- Ensuring accountability in Burton's supply chain through the maintenance of records of audits, as well as by taking appropriate actions, up to and including termination of the vendor's contract, for any violation of the Manufacturing Code of Conduct or applicable laws regarding slavery or human trafficking. Any Burton employee taking part in such wrongdoing is also subject to discipline, up to and including termination. Burton is in the process of educating our contractors and business partners on the hazards of human trafficking and slavery, and encouraging them to investigate their supply chains to eradicate this problem within their own organizations.
- Conducting training and related educational programs for employees with direct responsibilities for supply chain management in the importance of ensuring compliance with the Manufacturing Code of Conduct and applicable laws regarding human trafficking and slavery. Vendors are encouraged to contact Burton's Compliance Department at any time with regards to any compliance questions or concerns, and we will work with them to resolve any issues or questions they may have about Burton's Manufacturing Code of Conduct.