



## Transparency in Supply Chain Statement

Mountain Hardwear is committed to ensuring that our products are manufactured in factories that operate with fair and safe working conditions and sustainable business practices. To demonstrate this responsibility, we value and strive for long term partnerships with factories to monitor and ensure continuous improvement in alignment with our [Standards of Manufacturing Practices \(SMP\)](#). Mountain Hardwear's SMP includes a standard around forced labor, where all suppliers are required to demonstrate that they do not use forced labor, whether in the form of prison, indentured, slave, bonded or any other form of compulsory labor.

To address the regulations of the **California Transparency in Supply Chains Act (SB 657)**, Mountain Hardwear defines slavery and human trafficking as used by U.S. Department of State: Human Trafficking As defined in the Victims of Trafficking and Violence Protections Act (TVPA) of 2000, human trafficking is "any recruitment, harboring, transportation, provision, or obtaining of a person for labor services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery." Slavery – Involuntary Servitude The Victims of Trafficking and Violence Protections Act (TVPA) of 2000 defines involuntary servitude to include "a condition of servitude induced by means of – (A) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (B) the abuse or threatened abuse of the legal process."

This statement details the activities and efforts that Mountain Hardwear undertakes to ensure that forced labor, human trafficking, and modern day slavery does not exist in our supply chain. Highlighted below are the five pillars of the California Transparency in Supply Chains Act, and the actions that we take to address each one:

1. Verification: Mountain Hardwear assesses the risks related to our apparel and/or footwear supply chain at the country and factory levels. Risk assessment is performed internally by our sourcing, legal and corporate responsibility teams.
2. Auditing: Mountain Hardwear has developed a Code of Conduct, called our [Standards of Manufacturing Practices \(SMP\)](#), which is issued to each vendor with the expectation that

it will be posted on the production floor in the local language. All finished goods suppliers are audited against our SMP on an unannounced basis, allowing us to see the factory conditions as they are on a typical day. A re-audit will occur anywhere from 30 days to one year later, depending on the findings in the previous audit. Audits are performed by a combination of internal CR staff as well as Mountain Hardware authorized third party audit firms. We work with the suppliers to develop a Corrective Action Plan (CAP) to remediate issues identified during the audit.

3. Certification: Mountain Hardware requires all suppliers to sign an Evaluation and Certification Agreement prior to start of production which includes the following clause: “Supplier shall comply with all applicable laws and regulations relating to the manufacture, import, export and sale of goods, and to provide to Mountain Hardware upon request certificates or other written evidence of compliance with said laws and regulations.”
4. Internal Accountability: Mountain Hardware maintains and enforces internal accountability procedures for employees and contractors regarding company standards in slavery and human trafficking. In the case of non-compliance, we reserve the right to examine the specific situation and develop a best possible strategy for resolution. If cases of non-compliance are not resolved within a timely manner, we may terminate the business relationship. While we wish to aid in the resolution of incidences of human trafficking and slavery within our supply chain, it is not possible to effectively solve the issue of noncompliance without the cooperation of the supplier.
5. Training: Mountain Hardware requires all internal supply chain management staff participate in training on slavery and human trafficking, with a particular focus on mitigating risks, to ensure they are knowledgeable and aware of the issues and concerns surrounding our supply chain. We also provide training on our SMP during new employee orientation, and offer several trainings on our SMP throughout the year for all Mountain Hardware staff.