December 31, 2011

Taking a Stand Against Human Trafficking

The State of California has recently challenged the biggest companies doing business in California to join in its effort to identify and eliminate slavery and human trafficking in supply chains. In line with this effort, we as a company are investigating what we can do to help ensure that no human trafficking or slavery exists within our product supply chains. In particular:

1) We are investigating what steps we can take to review our supply chains for any signs of human trafficking or slavery. This will begin as an internal process. If any serious risks are identified, which we believe is unlikely, we may consider involving a third party investigator.

2) Based on our current knowledge, our supply chain is unlikely to incorporate human trafficking or slavery, so we have no current plans to conduct our own or third party audits of our suppliers. If we identify information that changes our assessment, we may contemplate the use of audits.

3) Again, in light of the low risk in our industry, we are considering whether to ask our suppliers for certification that the materials incorporated into the product comply with all applicable laws regarding slavery and human trafficking in the country or countries in which those suppliers are doing business.

4) Our company policies require our personnel to operate in accordance with applicable laws and to report any violation of laws by our suppliers and others of which they become aware. Various reporting options have been established. Accordingly, we have internal accountability standards and procedures in place in the event an instance of human trafficking or slavery were to come to our attention.

5) Company employees and management who have direct responsibility for supply chain management will be trained with regard to mitigating risks of human trafficking and slavery within the supply chains of products.

We are hopeful that this concerted action by California's largest retailers and manufacturers will have the intended effect of minimizing the human trafficking and slavery in supply chains, both domestic and foreign.

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