

## SUPPLY CHAIN DISCLOSURE

### **California Transparency in Supply Chains Act, UK Modern Slavery Act Disclosure, and Canada Supply Chain Disclosure**

TOMS' mission is to use business to improve lives. This core value is embedded in everything we do. We believe in partnering with others who share these values and who conduct business ethically.

This Statement relates to our fiscal year ending December 31, 2023 ("fiscal 2023"). This Statement describes the activities of TOMS SHOES, LLC and its consolidated subsidiaries (collectively "TOMS," the "Company," "we" or "our"). We distribute our products in over 70 countries. Most of our consolidated subsidiaries are not subject to the California Transparency in Supply Chains Act, the UK Modern Slavery Act or the Canada Supply Chain Disclosure. We have issued these statements on a consolidated basis because we employ the same policies and compliance program relating to anti-human trafficking and forced labor (sometimes referred to herein as "modern slavery") across our entire business.

#### ***Business Overview***

TOMS is a global footwear and lifestyle brand. At the end of fiscal 2023, we had approximately 285 employees. Most of the Company's employees were in the Americas (primarily in the United States), with the remainder in Europe and Asia. Our commercial manufacturing base, consisting of third-party contractors, is mostly in China and Vietnam.

TOMS is committed to using business to improve lives. Since 2006, our community has impacted over 100,000,000 lives by supporting the work of non-profit organizations worldwide.

We believe in a future where all people have a chance to thrive. That's why we commit 1/3 of our profits to grassroots good, supporting people working to build a more equitable tomorrow. Our support is focused on boosting mental health, increasing access to opportunity, and ending gun violence—all elements we believe are essential for progress to take root.

To learn more about our giving, please [click here](#).

TOMS takes seriously the global efforts to end all kinds of forced labor, whether in the form of prison labor, indentured labor, bonded labor, human trafficking or otherwise. At TOMS, we believe we have a responsibility to conduct our business in an ethical way. We expect the same from our business partners and focus on working with long-term, strategic suppliers that demonstrate a commitment to engaging with their workers and ensuring safe working conditions and environmental responsibility. We are affiliated members of the Fair Labor Organization (FLA), which guides TOMS in adhering to international and national labor laws. TOMS has been a member of the FLA since 2018.

#### ***Risks of Slavery and Human Trafficking in Our Supply Chain***

We recognize the importance of assessing and managing forced and child labor risks within our supply chain. TOMS Shoes employs independent third-party auditors to conduct risk assessments at various stages of production. Additionally, we utilize a leading Commercial Risk Intelligence Platform that leverages embedded watchlists, trade and maritime data, graph analytics, geospatial search, and corporate data to conduct our due diligence. Through these assessments, we identify high-risk areas and take proactive steps to mitigate potential risks. These audits are conducted regularly and are both announced and unannounced. We consider the following risk factors during the audit:

- Corporate structure and ownership
- Country of origin
- Raw materials and components
- Labor practices of the supplier
- Subcontracting practices

TOMS has established the compliance and methods discussed in this Statement to mitigate the risks of slavery and human trafficking in our supply chains for our products.

We recognize the need to continually evaluate the effectiveness of our operating procedures relating to modern slavery to confirm compliance with laws, disclose legally mandated and/or voluntary information and, most importantly, ensure that effective preventive mechanisms are in place.

#### ***Transparency in our Supply Chain:***

Transparency in the manufacturing supply chain better enables TOMS to collaborate with civil societies and other organizations to identify, assess, and avoid actual or potential adverse human rights impacts. TOMS is committed to publishing finished goods supplier factory information to help advance workers' human rights, ethical business practices, and human rights due diligence in the apparel, eyewear, and footwear supply chains, in line with the United Nations Guiding Principles on Business and Human Rights. Please see our finished goods supplier list [here](#).

#### ***Policies and Contractual Terms and Conditions***

We have a Code of Business Practices (the "Employee Code") that sets forth the standard of conduct that is to govern the actions of every employee of TOMS. In addition to indicating that employees must respect and obey the laws, the Employee Code indicates that we are committed to a work environment in which all individuals are treated with respect, that we prohibit discriminatory practices, and that we are committed to providing a safe, healthy, and comfortable workplace for all employees. New employees are provided with a copy of the Employee Code upon hire, which each employee must sign and acknowledge. A copy of the Employee Code is also available on the TOMS Intranet. Failure to comply with the Code may

result in corrective action up to and including termination of employment with the Company. For a copy of the Employee Code, please [click here](#).

We also require all suppliers to adhere to the Supplier Code (the "Supplier Code") when producing TOMS merchandise. The Supplier Code is a statement of values and expectations meant to guide decisions in factories where TOMS shoes are manufactured and addresses topics such as child labor, forced labor, excessive overtime, legal wages, discrimination, harassment-free workplace policies, and freedom of association, and has been approved by the FLA. We evaluate potential contracted factories against our Supplier Code standards and require them to agree in writing to these standards prior to entering our supply chain. We have progressively raised the expectations of our factory partners through the evolving standards of the Supplier Code. The Supplier Code can be viewed [here](#).

Our mechanisms for reporting violations of our Employee Code, Supplier Code, and other grievances are discussed below under "Internal Accountability and Training." Our Supplier code and employee code detail our procedures for identifying, preventing, and addressing forced labor and human trafficking in our supply chain.

Our supplier contracts provide that contracted factories must conduct business in full compliance with all applicable laws, rules and regulations and comply with the terms of the Supplier Code. In addition, these contracts specifically forbid the use of forced labor and prohibit discrimination or harassment in the workplace. Each factory is required to certify compliance with these terms and conditions prior to becoming an approved contracted factory.

In addition, to mitigate the risks of slavery and human trafficking at indirect suppliers, TOMS prohibits contracted factories from engaging subcontractors without the written permission of TOMS and a subsequent audit of the facility.

#### ***Verification of Product Supply Chains to Address and Evaluate Risks of Human Trafficking and Slavery***

When assessing the risks of modern slavery at any one factory, we consider various factors, including the factory's geographic location(s) and the nature of its manufacturing activities for TOMS (including consideration of the anticipated output). As part of our risk assessment, we also conduct preliminary inspections of each new factory's facility, and detailed questionnaires from potential factories are required. We regularly evaluate the effectiveness of our efforts to prevent and address forced labor and child labor in our supply chain. This evaluation allows us to identify areas for improvement and strengthen our overall approach. It also includes a review of audit findings. We believe transparency is essential for identifying and addressing potential issues, and we have published a list of our suppliers on our website.

#### ***Audits***

TOMS audits 100% of finished-goods factories (Tier 1 of the supply chain) for social and environmental concerns. Audits are performed through our internal corporate social responsibility audit team ("CSR Team") or a third-party monitoring firm. We also obtain recent audit reports from credible third-party sources. TOMS also monitors its raw-material suppliers (Tier 2 of the supply chain) and employs an audit and remediation process at these facilities, like those in Tier 1 factories.

Before conducting business with TOMS, each factory must undergo an unannounced factory audit. Our on-site process includes audits by our trained factory compliance auditors and third-party audit companies. Health and safety, wage and compliance, forced labor, child labor, harassment-free workplace policies, and environmental issues are reviewed. The entire factory, including dormitories, if applicable, is audited. The auditors will interview groups of employees and individuals without management presence to allow them to comment on their work conditions freely. In 2017, anonymous factory employee surveys were included as part of our audit process to increase transparency within our supply chain.

Audits also are performed annually and scored on a graded scale. To receive an "accepted" rating, a factory must not have any serious health, safety or labor issues in its facility. A factory receiving an "accepted" rating is authorized to produce TOMS products for one year, at which time it must again undergo an annual review and full audit. A factory receiving a "Needs Improvement" rating may still produce our products but is audited again within six to nine months and must show continuous improvement in health, safety, and labor issues. Factories with a lower rating are evaluated on a case-by-case basis. Our CSR Team will work with factories receiving a "Needs Improvement" or lower rating to build a Corrective Action Plan and proactively address the issues. A factory with persistent safety, health, or labor issues that fails to remediate these issues in an acceptable manner will be rejected as our supplier and will not be authorized to supply products for TOMS.

Auditing our suppliers helps to bring accountability and credibility to the supply chain by providing a verification point and helping us understand the overall direction of improvement. However, audits are not an end in themselves, providing only a snapshot in time, and we believe they work best as part of a broader approach to engagement, collaboration, and continuous improvement.

### ***Internal Accountability and Training***

TOMS has a zero-tolerance policy for violations involving any form of modern slavery. Vendors or factories found to have violated this policy will be immediately remediated or terminated. Our CSR Team works closely with our senior leadership and outside General Counsel to help ensure that our suppliers follow our Supplier Code.

TOMS conducts annual global compliance training with its employees and the management teams of its key factories, focusing on monitoring the risk of modern slavery and adherence to the Supplier Code. Our CSR Team and supply chain employees meet regularly with factories and key suppliers to reiterate TOMS' zero-tolerance policy for suppliers who engage in modern slavery. They are also encouraged to utilize a compliance checklist when visiting factories, which

helps to identify any issues that may require correction. TOMS outlines its expectations regarding working conditions, wages, benefits, freedom of association, and respectful treatment. If we identify any forced labor or child labor risk in our supply chain, we immediately remediate the situation. This may include working with the supplier to develop a corrective action plan, terminating the relationship with the supplier, or providing assistance to affected workers.

TOMS takes human rights issues seriously, and we expect our suppliers to do their best to ensure that forced labor in any form is not used to produce our goods. We will continue to evaluate and update our policies and procedures as needed to ensure that the appropriate safeguards are in place to prevent the mistreatment of persons involved in our supply chain.

Additionally, our employees are encouraged to raise any concerns they may have about human rights issues, and they have multiple channels to do so, including through a confidential mail box in each office and an email address [social\\_compliance@toms.com](mailto:social_compliance@toms.com), or [craig.gosselin@toms.com](mailto:craig.gosselin@toms.com) (that goes directly to our outside General Counsel), as well as the CSR management team. All complaints are confidential but reporting anonymously could limit TOMS' ability to collect relevant information about the concern.

This statement is made pursuant to section 54(1) of the U.K. Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for TOMS Shoes UK Limited for the financial year ending 31 December 2023.

This statement supports Canada Supply Chain Disclosures in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canadian Supply Chains Act S-211). Please [click here](#) for a full copy of the document

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By: 

Name: Magnus Wedhammar, CEO  
and Director, Toms Shoes, LLC and its  
Subsidiaries

Date: May 17, 2024