

Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

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Abercrombie's Structure, Activities and Supply chains

Abercrombie & Fitch Co. ("Abercrombie," "A&F Co." or the "Company") is a global retailer specializing in men's and women's apparel, personal care, and accessories. In Canada, operations (including stores and direct-to-consumer online sales under the following brands: Abercrombie & Fitch, abercrombie kids, Hollister Co., and Gilly Hicks), are operated by AFH Canada Stores Co., a subsidiary of the Company.

Abercrombie designs merchandise and relies on third-party manufacturers to assemble goods commensurate with the Company's quality standards. Our third-party manufacturers are located world-wide.

Policies and Due Diligence Processes

Policies and Management Systems

Any form of forced servitude is contrary to Company values. Abercrombie will not tolerate the use of forced labor and child labor. This is reflected in policies including our Human Rights Policy, Code of Business Conduct and Ethics, and Vendor Code of Conduct. These policies reflect our commitment to acting ethically and with integrity in all our business relationships and implementing and enforcing effective systems and controls to reduce and mitigate the risk of any child and forced labor taking place anywhere in our business and supply chains.

As stated in our Human Rights Policy, "Abercrombie & Fitch [Co.] is proud of our commitment to international human and labor rights, and to ensure that our products are only made in safe and responsible facilities. We partner with suppliers who respect local laws and share our dedication to utilizing the best practices in human rights, labor rights and workplace safety. A&F [Co.] believes that business should only be conducted with honesty and respect for the dignity and rights of all people."

Additionally, in 2018 A&F Co. signed the new AAFA and FLA Commitment to Responsible Recruitment and resigned their updated commitment in early 2023, This states that we commit to work with our global supply chain partners to create conditions so that: no worker pays for their job, workers retain control of their travel documents and have full freedom of movement, and all workers are informed of the basic terms of their employment before leaving home and workers receive a timely refund of fees and costs paid to obtain or maintain their job.”

Further, our Code of Business Conduct and Ethics binds all employees to the following: "We also believe in respecting and protecting human rights wherever we operate. Ensuring that our products are only made in safe and responsible facilities is important to us. We only partner with third parties who respect local laws and share our dedication to upholding human and labor rights, as well as workplace safety. We never allow the use of child or forced labor in any of our operations or facilities or by our vendors or their subcontractors. We never participate in or condone human trafficking or slavery of any kind. We will never permit exploitation of children; physical, verbal, or emotional abuse; or involuntary servitude."

Finally, our Vendor Code of Conduct specifically communicates to our vendors: "Abercrombie 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" and Abercrombie “will not tolerate the use of child labor by its vendors.”

Each vendor that receives Abercrombie business is required to follow our Vendor Code of Conduct, which requires conformity with local laws and carries certain additional standards. In our Vendor Code of Conduct, "Child Labor" is defined as the employment of persons younger than the age of 15, the local legal minimum working age, or the local legal age for compulsory education, whichever is older. In most cases, we will work with vendors to remedy child labor issues rather than immediately exiting a factory if child labor is found. We also specifically prohibit forced labor related actions which may include, but are not limited to, the following:

- Holding Documents (e.g., Passport, work permit, etc.)
- Forced overtime without pay or penalty
- Freedom of movement
- Physical abuse of employees
- Verbal abuse of employees
- Unauthorized deductions from pay
- Not paying required benefits
- Hourly rates (regular or overtime) below legal limit

Due Diligence Processes

Abercrombie identifies, assesses, and mitigates adverse impacts in its supply chain and its own operations.

We leverage independent third-party auditing firms to ensure our Tier 1 to Tier 3¹ suppliers adhere to their promises in the *Vendor Code of Conduct*. These monitoring firms employ and provide experts who are knowledgeable in local law, attuned to factory risks, and speak local language(s) to perform audits. These

¹ Tier 1 suppliers refer to factories perform cutting, sewing, stitching and packaging;

Tier 2 suppliers refer to factories perform production process and finishing (e.g. embroidery, printing, garment dyeing, washing, etc.) and manufacturing of trims (e.g. labels, zippers, etc.);

Tier 3 suppliers refer to fabric mill including knitting and weaving of textiles and fabric dyeing, bleaching, finishing, washing and embroidering.

auditors are trained to recognize "hard" and "soft" indicators of forced labor and child labor. This includes not only checking worker identification to verify age, but also identifying forced labor behaviors.

Auditors visit our partner factories annually or biennially and administer a full audit with every visit. Certain high-risk factories or new facilities may receive more frequent audits or unannounced audits. 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.). To maintain the integrity of the audit, Abercrombie does not provide the audit date to the factories ahead of time. However, to ensure the necessary personnel are available and the documentation can be gathered in time, we do offer a two-week window for regular audits and a four-months window for unannounced audits during which the audit will occur.

If any labor issues are uncovered during an audit, the factory must take immediate steps to correct the problem. This begins with creating and submitting a corrective action plan within 14-30 days. The vendor then comes under Company conservatorship to ensure there are no recurrences, which requires the factory to be prepared with photographic evidence and regular updates on the corrective action plan (CAP).

Abercrombie actively collaborates with other apparel brands in order to help prevent and mitigate any adverse impacts resulting from such audits. We are a Buyer Partner of Better Work- Better Work is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC) driving improvement through assessment, advisory and training services to registered factories. All Abercrombie factories eligible to participate in the Better Work program are required to join and complete an assessment by Better Work according to the ILO standards. For details, please visit the [Better Work website](#).

After each audit, the Sustainability team at Abercrombie reviews the audit results and assigns a rating to the factory. These ratings allow us to identify high-risk factories² that need special attention. The Sustainability team will conduct detailed follow-up in all high-risk factories to determine the root cause of issues and to make systematic sustainable improvements. This typically takes place six months from the audit date. Abercrombie may seek brand collaboration to drive improvement if necessary. However, if no meaningful improvement is made, Abercrombie will end its relationship with that factory.

Abercrombie communicates our audit results annually via its Corporate website. For details, please refer to <https://corporate.bercrombie.com/sustainability/social-impact/factory-audit-details/>

Forced Labor and Child Labor Risks

As a member of the apparel, personal care, and accessories sectors, Abercrombie has taken special care to monitor human rights risks associated with our product lifecycle. For our company and others in our sector(s), that risk is greatest at the international factory stage. We offset risks here by employing third-party auditors who are experts in our policies, local laws and regulations, country-specific risks in the retail manufacturing sector, and warning signs of forced labor or child labor. As leading worldwide experts in the auditing field, we trust our partners to effectively reinforce our standards and relay to us any issues identified at the factory level.

Those areas we have identified as highest risk for forced labor and child labor are the factories in our international supply chain. Often, we source materials or production in countries which seek economic development through foreign trade or investment in manufacturing (for example Bangladesh, Cambodia,

² High risk factory with findings such as child labor, force labor, harassment, deny audit, minimum wage, overtime wage and non-transparency

China, Vietnam, Indonesia, Jordan, India ,and Guatemala). We take proactive steps to ensure that we are working with the most responsible vendors, factories, and mills, in order to combat forced labor and child labor.

Abercrombie aims to not source from countries with known histories of forced labor and child labor issues. For example, the Company has a policy against using Uzbek and Turkmen cotton. We prohibit the use of cotton sourced from Uzbekistan and Turkmenistan and textiles produced using Uzbek or Turkmen cotton. We also exclude sourcing any products from Uzbekistan and Turkmenistan.

Further, the Company does not source conflict minerals. Conflict minerals are those mined or sourced in furtherance of armed conflict, specifically from conflict areas in the Democratic Republic of Congo ("DRC"). Conflict minerals may include tantalum, tin, gold and tungsten. To verify that the raw materials used in our product do not fuel conflict, we require suppliers to disclose the origin of the smelter of these minerals. As a member of the Conflict-Free Smelter Program, Abercrombie is aligned with other industry leaders on this important issue.

While A&F Co. does not own the production of products we sell, we work closely with our agents and vendors to increase our supply chain transparency and provide this information to the public. To initiate this work, in 2015, A&F Co. made a conscious shift to begin auditing more of our Tier 2 suppliers. We began by communicating our policy of full transparency in our supply chains to vendors, and asked vendors to provide all subcontractor information to A&F Co. We recognized the need for increased transparency in Tier 2 and continued to expand our audit reach. It is through these long term, collaborative relationships with our agents and vendors that A&F Co. is able to gather this information.

In 2023, Abercrombie enhanced its transparency and published 100% of its Tier 1, 90% of its fabric mill and 100% of personal care filler locations with the following information on an annual basis: parent (vendor/agent), factory name, factory street address, factory city and country, production category, number of workers, percentage of workers by gender and percentage migrant workers.

We have also partnered with Hireapartner (HAP) to provide training and tools and to send a digital survey to 32 of our vendors, accounting for 80% of our production, to allow us gaining a greater ability to trace product through the supply chain and comply with evolving due diligence laws.

In addition, we utilize the forensic science services of Oritain to verify the country of origin of cotton used in our products to prove the cotton used in our products was not affiliated with areas with potentially widespread use of forced labor.

Although forced labor and child labor could arguably occur at other stages of the retail process - for example, in store or Home Office environments - we feel that certain characteristics inherent in these environments, together with Abercrombie's policies and approach, reduce that risk compared to earlier stages in the supply chain. In particular, our stores and Home Office benefit from strong relationships with Human Resources, systemic work verification measures, and a well-trained employee population. These forces give us confidence that these environments are lower-risk for forced labor and human trafficking than other stages, such as our partner factories abroad, and allow us to focus our efforts on these higher-risk areas.

Remediation Measures

In 2023, Abercrombie conducted 441 social audits by third parties. Only 1 out of 441 audits was found to have an issue with forced labor related practices that violated our policy. The issue concerned workers who needed authorization to access the toilet during working hours. Abercrombie partnered with the

factory management to remove that policy and the changed policy was verified during the next onsite visit.

Abercrombie has not detected any issues with child labor in our factories since 2018.

Remediation of Loss of Income

Not applicable. Abercrombie has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

Training

Abercrombie aims for every employee to be familiar with the Company's commitment to social sustainability and opposition to forced labor and child labor. Whilst as mentioned above, we endeavor to train all employees on the Code of Business Conduct and Ethics, we ensure that all Home Office associates are trained on the Code of Business Conduct and Ethics as a priority.

Further training is administered to those who interact directly with our supply chain. All Abercrombie Home Office or remote associates, managers, directors, and vice president directly involved in Supply Chain Management are required to take an eLearning course every year on human trafficking and forced labor that discusses the risks of forced labor and human trafficking for business, and actions that can be taken to mitigate those risks. The eLearning was developed by an external compliance management software company, and it takes around 19 minutes to complete. There is a quiz at the end of the eLearning, which associates need to pass. In 2023, a total of 336 Abercrombie associates completed and passed the eLearning.

Abercrombie also partners with Pacific Links Foundation to implement the Factory Awareness to Counter Trafficking (FACT) program in factories in Vietnam. From 2019 to 2023, we trained 34,317 workers and managers in 26 Vietnam factories on anti-human trafficking and forced labor. Workers' awareness on identifying signs of forced labor increased by 54%³.

Assessing Effectiveness

Our policies are reviewed and updated regularly to confirm content remains relevant and consistent with the Company's strong commitment to human rights and ethical labor practices in particular. Our Vendor Code of Conduct was last updated in 2019 and is currently being distributed and agreed to by our vendors. The Code of Business Conduct and Ethics was last updated in December of 2015. Our Sustainability Policy was updated in 2022 and renamed Human Rights Policy.

The American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA) announced a proactive industry effort to address potential forced labor risks for migrant workers in the global supply chain. We signed the commitment alongside other companies⁴.

³ Awareness in identifying signs of forced labor before training before training is 26% and after training is 80%.

⁴ <https://www.aafaglobal.org/commitment>

As part of our initiative to identify and mitigate risk, in our Bangladesh Tier 1 and Tier 2 suppliers, Abercrombie has adopted the worker helpline service by Amader Kotha⁵, an independent organization that operates an anonymous helpline that gives workers a direct voice to report safety and other issues. The Sustainability team at Abercrombie will partner with vendors to identify corrective actions and collect improvement evidence for any reported issues.

In terms of Abercrombie own operations, all our employees who witness suspicious behavior within the business, or in our supply chains, are trained to reach out to their manager, Human Resources representative, or the Company's Chief Ethics and Compliance Officer or Legal department. Employees are also encouraged to raise issues and concerns about suspected violations of the company's Code of Business Conduct and Ethics through the use of the Company's ethics hotline. This is a confidential hotline that allows associates to report their concerns anonymously, either by phone or online. The hotline is available to all associates in our stores and corporate offices world-wide. Abercrombie & Fitch Co. does not tolerate retaliation against anyone who makes a report in good faith.

Finally, in our Vendor Code of Conduct all of our vendors agree to take measures against involuntary (forced) labor and child labor. To ensure the efficacy of these promises, we make sure vendors are familiar with and aware of the different acts, means, and purposes of human trafficking.

This statement is made pursuant to Bill S-211 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff for the financial year ending February 3, 2024.



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Abercrombie & Fitch Co.

⁵ The worker helpline in Bangladesh is part of the Nirapon program. The Nirapon is an industry-led nonprofit organization that collaborates with global brands, retailers, manufacturers, and NGOs to create and sustain a culture of workplace safety in Bangladesh factories. Abercrombie joined Nirapon since 2019.