

FAF, Inc. Compliance with SB 657 California Transparency in Supply Chains Act

As part of our commitment to responsible sourcing we have included reference and compliance for SB 657, the California Transparency in Supply Chains Act that becomes effective January 1, 2012. FAF, Inc. requires every supplier to sign an agreement that they will abide by these standards. We will continue to employ factory audits in order to verify compliance in this area as well as others.

We use a three tiered approach and program to verify suppliers' compliance with our ethical standards. The three criteria are verification, auditing and agreement.

Verification. Our standards prohibit the use of forced labor in any form including human trafficking and slave labor. The FAF, Inc. standards cover a broad range of social concerns including but not limited to wages, working conditions, benefits and underage workers.

Auditing. Facilities are required to demonstrate adherence to FAF, Inc. standards through scheduled and random social audits. The factory management is required to honestly disclose all issues and work in cooperation with FAF, Inc. to make all of the necessary corrections.

Agreement. Through a separate signing of the FAF, Inc. compliance letter our suppliers agree to comply with SB 657 and social compliance in general and the laws on slavery and human trafficking.