

## California Transparency in Supply Chains Act

What is the California Transparency in Supply Chains Act?

This Act requires retailers and manufacturers doing business in California to publicly disclose their efforts to prevent slavery and human trafficking in their supply chains. Slavery and human trafficking can take many forms, including forced labor and child labor. The purpose of this disclosure is to allow consumers to make better and more informed choices regarding the products they buy and the companies they choose to support.

What does Skullcandy do to prevent slavery and human trafficking in its supply chain?

1. Skullcandy conducts third-party independent audits of all its suppliers to verify that convict, forced labor or child labor are not utilized in the production of its goods. Further, Skullcandy audits its suppliers to ensure that their facilities provide workers with a safe and healthy work environment that is in compliance with all relevant local, state, regional and national occupational health, safety and environmental protection laws. Skullcandy does not tolerate the use of any forced or involuntary labor, either directly or indirectly, by our suppliers, contractors or subcontractors. We prohibit our suppliers from trafficking in persons or employing the use of slave labor, bonded labor, indentured labor, or involuntary convict labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. Workers in factories producing Skullcandy goods cannot be required to surrender their identity papers or other original personal documents or to pay deposits as a condition of employment. Workers must be free to leave the workplace at the end of their shift and to resign without repercussion. We require of suppliers to ensure that all overtime work is voluntary and not be in excess of legal limits. Workers hired through contract agencies, including migrant workers, are required to be employed by suppliers in strict accordance with relevant international legal agreements between the sending and receiving countries.

2. Skullcandy requires all suppliers to certify that the materials in the goods produced for Skullcandy comply with all laws of the country where they do business, including the anti-slavery and human trafficking laws.

3. Skullcandy holds suppliers accountable if they fail to meet our standards against slavery and human trafficking. Skullcandy will cease doing business with a supplier that violates these standards.

4. Skullcandy provides company employees and management, who have direct responsibility for supply chain management, training on its Corporate Social Responsibility Supplier Code of Conduct, including human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products. The complete text of Skullcandy's Corporate Social Responsibility Supplier Code of Conduct is available on its website.