

## **California Transparency in Supply Chains Act (SB 657)**

Claire's Stores, Inc. ("Claire's") and its subsidiaries and affiliates including CBI Distributing Corp. ("CBI") believe in operating in an ethical and socially responsible manner. The standards that we set for our company and our employees are set forth in [Claire's Code of Business Conduct and Ethics](#). In addition, we require our vendors to share our commitment to legal compliance. Our expectations of our vendors are set forth in [CBI's Vendor Standards](#). All of our vendors are required to abide by our Vendor Compliance Policy, which includes the Vendor Standards, and which Vendor Standards explicitly state that forced labor of any kind is strictly prohibited.

The points below in bold detail each of the five disclosures required by the California Transparency and Supply Chains Act along with an explanation of what Claire's is doing to address each disclosure.

### **1. Verification of Supply Chain and Evaluation of Risk**

Claire's does not manufacture any of the products that we sell. All vendors are subject to our Vendor Standards, which work to ensure that our products are made in safe and humane working conditions. We verify our product supply chains through factory visits to measure compliance with our requirements, which include a prohibition against any forced or involuntary labor. Audits are conducted by a third party. Claire's participates in industry working groups such as the Retail Industry Leaders Association and the Fashion Jewelry and Accessories Trade Association to improve the quality of products and transparency in the supply chain.

### **2. Auditing of Suppliers for Compliance with Company Policies**

All factories used by our suppliers to produce merchandise are subject to our Vendor Standards, which state that "factories will allow CBI and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provide in advance, to implement and monitor said standards." Audits are conducted by a third party. CBI may cease to do business with any vendor who fails to comply with our Vendor Standards.

### **3. Supplier Certification Process**

Prior to accepting any orders, our suppliers are required to sign CBI's Vendor Compliance Policy which incorporates our Vendor Standards. Our Vendor Standards include a provision stating that "all vendors shall comply with the contract provisions, and all applicable laws, rules and regulations of their industry,

without limitation ...including those relating to labor, worker health and safety, slavery and human trafficking and laws prohibiting deceptive trade practices.” By signing CBI’s Vendor Compliance Policy suppliers agree to abide by all applicable rules and regulations regarding compensation, forced labor/prison labor, child labor, discrimination/human rights and workplace environment.

#### **4. Accountability Standards**

All Claire’s employees are required to comply with our Code of Business Conduct and Ethics, which is updated annually. Failure of employees to comply with our Code of Business Conduct and Ethics can result in corrective action that may include termination of employment. All vendors are required to comply with our Vendor Compliance Policy, which includes our Vendor Standards. For any vendor who fails or refuses to comply with these standards, CBI may (i) immediately cancel any and all outstanding orders with such vendor, (ii) refuse or return any shipment from such vendor, and (iii) cease doing business with any such vendor.

#### **5. Training of Employees**

All employees who have direct responsibility for supply chain management, such as merchandise buyers, through periodic training, are made aware of the risks of slavery and human trafficking and are trained on ways to mitigate those risks specific to our supply chain.