

The Standards describe how we and our suppliers put integrity into practice every day by living up to the following supplier values:

Safety

People

Environment

Quality

Delivery

Cost



Safety:

of our employees, partners, contractors, and 3rd party service providers. This is critical for TM without safety as a priority we jeopardize our people and the remaining values are at risk.





People:

Without them we cannot run a successful business. Our employees are what adds the most value and without monitoring and improving workplace conditions we cannot achieve our objectives.





Environment:

Because our processes require the use of earth's natural resources, we want to ensure we make a conscious effort to set reduction goals around waste, water and energy to minimize our impact.





Standards Deliverables



What's not Changing

TM will continue:

- monitoring new and existing facilities for compliance against the Standards
- Regularly updating supplier information via Welcome Kit/Self assessment
- Using the Fair Factories Clearinghouse to track audits
- working with suppliers to address gaps where facilities are committed to improve
- Scoring audit performance and issuing enforcement where performance is not improved

What's New?

UL Responsible Sourcing Partnership:

- Code of conduct benchmarking
- Supplier Standards development
- New audit tool and grading matrix
- Audit execution
- CAP follow up management
- Local legal regulatory expertize and guidance

What's New

New Compliance Structure

- Local Resources in Asia
- 2- Sr. Compliance Analysts (China & Vietnam)

Safety Committee:

David Abeles: CEO

David Brownie: SVP Ops

Todd Beach: SVP RDE

Laura Garrett: SVP HR

Bill Reimus: SVP Legal

Jeff Barker: CFO

What's New

Audits:

- Methodology
- Scoring- new categories and incentives
- Payment
- Remediation timeline



What's New

Tools:

- New Supplier Policy Site
 - All standards and policies will be stored there
- Reports:
 - Audit Reports inclusive of Labor, Safety, Environmental, and CTPAT
 - Corrective Action Report
 - Monthly Reporting

TM Program Timeline

Define in -house and outsourced processes

- Roll Out
 - New Standards
 - Q&A
 - FY18 expectations
- Begin compliance activity coordination (audit, reporting, self assessments etc.)

 Begin Audits execution and remediation against new Supplier Standards

 Aug'17
 Sep'17
 Oct'17
 Nov'17
 Dec'17
 Jan'18
 Feb'18
 March'18

 PH1. Assess
 PH2. Plan
 PH3. Execute

- Strategy Setting & Bid Process for Advisory/Audit partners
- Initial communication to Suppliers
- Understand SEA close out activities
- · Budget and resource allocation

- Select Advisory and Audit Company and begin contract process
- Identify Program Gaps
- Benchmark against Industry players
- Complete Code of Conduct, Policy and Audit Tool Updates
- Compliance System set up and roll out