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.
Supplier Values

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

- Fulfill legal requirements
- Ensure safe workplaces
- Drive brand perception
- Delivery safe products
- Reduce environmental impact
- Meet retailer and consumer expectations
- Reduce legal action

SAFETY  PEOPLE  ENVIRONMENT
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 expertise 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
• Define in-house and outsourced processes

Aug’17 | Sep’17 | Oct’17 | Nov’17 | Dec’17 | Jan’18 | Feb’18 | March’18

• 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

• 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