

California Transparency in Supply Chains Act Disclosure

California Transparency in Supply Chains Act Disclosure - An Important Note About the 2012 California Transparency in Supply Chain Act.

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 ("SB 657") went into effect. SB 657 requires retailers and manufactures like American Apparel that are doing business in California to disclose efforts and measures used to track possible slavery and human trafficking in their supply chains. This disclosure is made to provide information to our customers which in turn allow them to make better, more informed choices about the products they buy and the companies they support.

American Apparel makes the following disclosures in compliance with the Supply Chain Act:

1) Whether American Apparel makes third-party verification(s) to evaluate and address human trafficking and slavery risks in product supply chains?

Yes, American Apparel regularly evaluates and addresses human trafficking and slavery risks in its product supply chains internally. Our manufacturing, production, product safety and legal departments are tasked with investigating internal or third-party reports of this nature.

2) Whether American Apparel conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery?

Yes, American Apparel seeks to audit its suppliers through internal and external inspections or audits to check for compliance with company standards for trafficking and slavery. Effective 2012, we will conduct both announced and unannounced audits of our suppliers in compliance with SB 657.

3) Whether American Apparel requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which we are doing business?

Yes, American Apparel requires and seeks to obtain such certification from its all of its direct suppliers on a regular basis.

4) Whether American Apparel maintains internal accountability standards and procedures for employees or contractors failing to meet company standards on slavery and trafficking?

Yes, American Apparel seeks to maintain internal accountability standards and procedures for any employees and/or contractors who fail to meet company standards in this regard. Our internal accountability standards and procedures are designed to immediately address employees or contractors failing to meet such standards.

5) Does American Apparel provide its company employees and management, who have direct responsibility for supply chain management, with training on mitigating the risks of slavery and trafficking in supply chains?

Yes, American Apparel provides internal training and education on the detection and enforcement procedures against slavery and human trafficking to employees and management who are directly responsible for supply chain management.

For further information, please contact American Apparel, Inc., attn: Legal Compliance, 747 Warehouse Street, Los Angeles, California, 90021, Telephone 213-488-0226.