CALIFORNIA SUPPLY CHAINS ACT

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT (SB 657)

GENERAL

On January 1, 2012, the state of California enacted the California Transparency in Supply Chains Act (SB 657). This Act seeks to eradicate slavery and human trafficking from product supply chains. Perry Ellis International, Inc. has a Vendor Code of Conduct that strictly prohibits the use of forced or compulsory labor of any kind, including prison labor, bonded labor, indentured labor, slavery and human trafficking. To address the regulations of the Act, we are taking the following steps:

1. **Verification**: Perry Ellis International, Inc. (“PEI”) is committed to fair labor practices within our supply chain. Part of PEI’s robust Social Compliance program is to assess and verify the risk of slavery and human trafficking within its supply chain. PEI conducts its risk assessment by country by reviewing the US Department of State’s Trafficking in Persons Report located at http://www.state.gov/j/tip/rls/tiprpt/index.htm, which is issued on an annual basis, wherein country-specific risk level assignments are based on a three-tier ranking of the local government’s compliance with the Trafficking Victims Protection Act. Risk assessment is performed internally by PEI. All direct suppliers are reviewed by PEI’s Social Compliance Department prior to production placement.

2. **Audit**: PEI conducts regular audits of its direct suppliers. PEI has established a Vendor Code of Conduct which is issued to its direct suppliers. Direct suppliers are evaluated on their compliance of our code through announced and unannounced audits conducted by PEI’s internal auditors and third party audit providers.

3. **Certification**: As a condition of doing business, PEI requires its direct suppliers to certify in writing via the PEI Master Supply Agreement that they comply with all applicable laws within the country of business including those regarding slavery and human trafficking as well as PEI’s Vendor Code of Conduct.

4. **Accountability**: PEI maintains and enforces internal accountability procedures for PEI employees and compliance by direct suppliers regarding company standards on slavery and human trafficking. In the case of non-compliance PEI reserves the right to investigate the situation and develop a best possible strategy for resolution. If non-compliance continues unresolved within a timely manner, PEI may terminate the business relationship.

5. **Training**: PEI conducts internal training on its Vendor Code of Conduct to ensure the necessary participants in the supply chain management are knowledgeable and aware of the issues and concerns surrounding the supply chain, involving human trafficking and slavery including mitigating risks within the supply chain of products sourced by PEI. PEI also encourages employees involved in PEI’s supply chain to participate in external training programs and seminars on social compliance issues.