California Transparency in Supply Chain

Fossil is committed to ethical and responsible conduct in all of our operations and respect for the rights of all individuals. We expect that our business partners will share this commitment. We strive to ensure that human rights are upheld for all workers involved in our supply chain, and that individuals experience safe, fair and non-discriminatory working conditions.

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (“Act”) went into effect in the State of California. The Act seeks to supply consumers with information regarding companies’ efforts to eradicate slavery and human trafficking from their supply chains. Set forth below is information about Fossil’s efforts to ensure that our suppliers are not engaging in conduct that could be considered slavery or human trafficking.

Fossil has a Code of Conduct for Manufacturers (“Manufacturer Code”) that is based upon international labor and human rights standards. The Manufacturer Code addresses human rights principles and sets standards of workplace conduct for the factories that produce our products. The Manufacturer Code specifically requires our manufacturers to not use child, forced or involuntary labor. Before supplying product to Fossil, our manufacturers must sign an agreement with Fossil that includes a commitment to abide by the Manufacturer Code. Also, we provide training to our factories related to the Manufacturer Code and the applicable laws in the country in which the factory is located. The training provides the factories with a more in-depth explanation of the Manufacturer Code. Specifically, we address the section within the Manufacturer Code on forced labor, allowing the factories to ask questions to ensure they understand this particular section.

In addition to the contractual obligation, we evaluate our supplier’s compliance with the Manufacturer Code through audits conducted both by Fossil employees and third party compliance auditing firms. In most cases the audits are announced.

If we believe that a supplier is failing to live up to the standards of the Manufacturer Code, we may terminate the supplier or provide the supplier with an opportunity to remedy the non-compliance through the implementation of a corrective action plan. For those suppliers on a corrective action plan, we will work with the supplier as necessary to help them understand the non-compliance and provide advice on how to remedy the non-compliance. We usually conduct a follow-up audit to confirm compliance after the implementation of the corrective action plan. Should the supplier continue to fail to meet our standards, we may seek to eliminate such supplier from our supply chain.

Fossil is committed to upholding human rights in our supply chain. We will update this document to reflect changes in our efforts.

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