



# **The Burton Corporation Supply Chain Sustainability Policies and Standards**

December 2025



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## 1.0 BURTON SUPPLY CHAIN SUSTAINABILITY COMMITMENT

The Burton Corporation (“Burton”), including its wholly owned subsidiaries, is committed to operating in a responsible manner to improve our impact on the environment and all people and communities that we touch. Our commitment is based on the values defined in our Purpose and is also shaped by externalities such as global and local regulations.

In addition to improving our direct impact, we are also committed to ensuring that our entire supply chain mirrors these values and commitments. Burton has established standards regarding social and environmental responsibility and chemicals management. All Burton business partners, suppliers, agents, and designated third parties shall adhere to the following Burton standards (collectively, the “Standards”): the Code of Conduct, the Restricted Substances List (“RSL”), the Sustainability Monitoring Policy, and the Materials Verification Policy.

As a Burton partner, you are required to adhere to the latest version of the Standards, which are maintained at <https://burtonusa.sharepoint.com/sites/BurtonVendorGuide>. If you do not have access to vendor.burton.com, the latest versions of the Standards will be provided. In addition to your own manufacturing, it is your responsibility to provide these Standards to your supply chain so that they in turn are also aligned with these critical requirements. We expect that all purchases that you make on our behalf explicitly comply with the Standards, and Burton partners are expected to ensure that the Standards are shared and referenced with every supplier and sub supplier through the raw material stage. Whether Burton enters or continues a business relationship with a vendor depends on the vendor’s commitment to and demonstration of compliance with the Standards.

### STANDARDS OVERVIEW

Below is the list of policies contained in this document, along with a summarized description and purpose of each. All policies listed are located as individual documents in the Vendor Guide under the corresponding titles.

#### Code of Conduct

While Burton recognizes that there are different legal and cultural environments where facilities operate throughout the world, the Burton Code of Conduct outlines the core rules and responsibilities that all of our agents, vendors, suppliers, and associated facilities must follow. Burton is a member of the Fair Labor Association (“FLA”) and has adopted the FLA Code of Conduct. The Burton Code of Conduct is based on the International Labor Organization’s (“ILO”) core labor standards and requires compliance with national laws where facilities operate. Burton prefers that its business partners strive to exceed the responsibilities outlined by the Burton Code of Conduct by creating sustainable solutions and implementing best practices and continuous improvement throughout their facilities.

#### Restricted Substances List (“RSL”)

Burton recognizes that suppliers are critical partners in our effort to manufacture responsible and sustainable products. We expect that all products and materials meet the most rigorous consumer safety standards, and follow all applicable product, packaging, and environmental, health and safety (“EHS”) policies and regulations. Burton has aligned with bluesign® Technologies and uses the bluesign® Restricted Substances List that applies to all chemicals, raw materials, components, finished products, and packaging used in the manufacturing supply chain for Burton products.

#### Sustainability Monitoring Policy

The Sustainability Monitoring Policy sets forth the requirements that all facilities and suppliers must meet to do business with Burton, including regular audits and remediation. This includes our social compliance monitoring and chemicals management programs.

#### Preferred Materials Certification Table

In alignment with our purpose, Burton designs and manufactures products considering a sustainable future for our sport, people, and planet. Burton is working to increase our sourcing of more sustainable materials that minimize the negative impacts associated with softgoods and hardgoods production while upholding a high standard of integrity. The Preferred Materials Certification Table (Attachment F) outlines applicable standards required for the materials used in Burton products. When selecting materials for our products, we consider the following impacts across the supply chain from raw material origin to end of life,

- Agricultural practices
- Animal welfare
- Worker health and safety
- Carbon footprint
- Safe chemistry
- Consumer safety
- Circularity

Please see [Burton's 2025 People & Planet Impact Goals](#) for detailed information on company targets related to material and product sustainability. This policy outlines Burton's standards for materials used in Burton and Anon products and licensed goods.

### **Material Traceability Policy**

It is Burton's responsibility as an importer to validate each stage of the supply chain for high risk and/or certified materials used in Burton goods. Burton must trace supply chains from the raw material harvester to the finished good supplier to comply with customs requirements and to mitigate environmental and social abuses within the supply chain. The Materials Traceability Policy defines materials in-scope of the traceability policy and outlines Burton's requirements for verification of supply chain traceability.

## **2.0 SOCIAL COMPLIANCE**

### **2.1 Burton Snowboards Code of Conduct**

#### *Preamble:*

At Burton, we are committed to:

- A standard of excellence in every aspect of our business and in every corner of the world.
- Ethical and responsible conduct in all operations.
- Respect for the rights of all individuals.
- Respect for the environment.

We expect these same commitments to be shared by all suppliers and manufacturers of Burton products. Suppliers are responsible for ensuring that the translated and most updated Burton Code of Conduct is accessible to workers, managers, and supervisors at every manufacturing facility. Suppliers can ensure accessibility by posting the code in a public place where it will be seen by workers on a regular basis or including it in orientation materials or the employee handbook. Please refer to the Burton Vendor Portal for translated versions of the Code of Conduct.

Violations of the Burton Code of Conduct will be appropriately remediated at the supplier or manufacturer's cost. Failure to comply with the Burton Code of Conduct may ultimately result in termination of the relationship between Burton and the supplier or manufacturer, including termination of any manufacturing, sourcing, agent, and/or license agreement.

Suppliers and manufacturers shall comply with all laws and regulations in all locations where they conduct business. When differences or conflicts in standards arise, the highest standard shall apply. *At a minimum*, Burton requires all suppliers and manufacturers to meet the following standards:

CODE ELEMENT	DESCRIPTION
<b>EMPLOYMENT RELATIONSHIP</b>	Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.
<b>NONDISCRIMINATION</b>	No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender identity, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.
<b>HARASSMENT OR ABUSE</b>	Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.
<b>FORCED LABOR</b>	There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.
<b>CHILD LABOR</b>	No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>	Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.
<b>HEALTH, SAFETY, AND ENVIRONMENT</b>	Employers shall provide a safe and healthy workplace setting to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.
<b>HOURS OF WORK</b>	Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.
<b>COMPENSATION</b>	Every worker has a right to compensation for a regular work week that is sufficient to meet the workers' basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Burton to take appropriate actions that seek to progressively realize a level of compensation that does.

### 2.1.1 Supplier Code of Conduct and Workplace Standards Training

Every Burton supplier is required to conduct training for all management and production employees on the FLA Code of Conduct and the factory's own workplace standards. The attendance and effectiveness of these training courses will be evaluated annually by Burton through a social compliance audit or workplace survey.

If a supplier does not have the ability to access or create a Code of Conduct or Workplace Standards training course, please reach out to [sustainability@burton.com](mailto:sustainability@burton.com). Burton can offer suppliers several virtual or in-person eLearning and training resources in order to meet this requirement.

### 2.1.1 Responsible Recruitment

Burton signed the Fair Labor Association/American Apparel and Footwear Association Commitment to Responsible Recruitment in 2024. We are committed to working with our global supply chain partners to create conditions so that:

1. No workers pay for their job;
2. Workers receive a timely refund of fees paid to obtain their job;
3. Workers retain control of their travel documents and have full freedom of movement; and
4. All workers are informed, in their native language, of the basic terms of their employment before leaving home.

## **2.2 Sustainability Monitoring Policy**

Burton's Sustainability Monitoring Policy aims to improve our social and environmental impacts in the communities in which we conduct business worldwide. This Policy applies to all facilities that produce goods for Burton or any of its subsidiaries, brands, licensee, or affiliates, including Burton and Anon. This Policy sets forth the basic requirements that all facilities must meet to do business with Burton.

Burton monitors facilities involved in the manufacturing of Burton branded products and products for brands which Burton is licensed to produce. Monitoring occurs for all finished goods facilities and may also occur for raw material suppliers. Monitoring includes facility audits conducted by a Burton employed auditor or by an accredited third-party audit company nominated by Burton. Following an initial audit, Burton may audit a facility at any time, either announced or unannounced.

Burton uses sustainability monitoring results as an integral part of its supply chain strategy, influencing how we rate, select, and develop vendor partnerships.

## **2.3 Sourcing and Production Restrictions**

Due to political, environmental, and human rights issues there are certain geographic regions that are deemed unacceptable for the manufacture of Burton products. On a regular basis, Burton evaluates the risk of conducting business within a specific facility, region, or country by consulting with labor rights organizations and by using a third-party risk intelligence tool that assesses political, economic, environmental, and social data. Burton reserves the right to restrict or prohibit sourcing from certain geographies identified as high risk.

Please reference the following subsections for specific geographic regions where the manufacturing of goods and/or sourcing of raw material used for Burton products is strictly prohibited.

Manufacturing risk is a continually evolving situation so please contact the Burton Sustainability team at [sustainability@burton.com](mailto:sustainability@burton.com) for updated sourcing restrictions.

### **2.3.a. Production and Agricultural Practices in China**

Sourcing of any materials, processing, and/or production from the Xinjiang Region of China is prohibited for all product categories. For agricultural products, including cotton and cellulosic fibers (e.g. viscose), transaction certificates from raw material origin must be provided by suppliers to demonstrate sourcing outside of China. This includes compliance with U.S. federal law, H.R. 6256 (Uyghur Forced Labor Prevention Act). Please refer to the Materials Traceability Policy in **Attachment D** for additional guidance and requirements.

### **2.3.b. North Korean Production and Migrant Labor**

Sourcing of any materials, processing, and/or production from North Korea is prohibited for all product categories. Production of any materials or finished goods using migrant labor from North Korea is prohibited for all product categories as well.

This is following section 321 (b) of The Tariff Act of 1930, 19 U.S.C. § 1307, which creates a presumption that North Korean labor is forced labor<sup>1</sup>, and thus that importation of merchandise produced with North Korean labor is prohibited.

Products or materials sourced from regions with high risk of North Korean migrant labor may be subject to additional monitoring and due diligence efforts.

### **2.3.c. Cotton Production in Turkmenistan and China**

Due to ongoing concerns regarding the use of alleged state-imposed forced and child labor in the harvesting of cotton in Turkmenistan, sourcing of any cotton materials, or goods manufactured using cotton material Turkmenistan is strictly prohibited.

Until the International Labor Organization (ILO) verifies the elimination of forced and child labor used in the production of cotton in Turkmenistan and China, Burton prohibits the manufacturing of product using cotton from both countries.

For agricultural products, including cotton and cellulosic fibers (e.g. viscose), transaction certificates from raw material origin must be provided by suppliers to demonstrate sourcing outside of China.

### **2.3.d. Cotton Production in Uzbekistan**

As a result of the significant reduction in the use of forced child labor to isolated incidents in 2024, the Department of Labor determined to remove cotton from Uzbekistan from the 2024 List of Goods Produced by Child Labor or Forced Labor.

Accordingly, Burton now permits the sourcing of cotton and cotton-containing materials with a verified country of origin of Uzbekistan, subject to standard due diligence, traceability, and compliance requirements.

## **2.4 Social and Environmental Responsibility Audit Policy**

The Social and Environmental Responsibility Audit is conducted to verify supplier facility compliance with the FLA Workplace Code of Conduct and Compliance Benchmarks. See Attachment A. Burton also requires suppliers to maintain a complete and up-to-date list of the local, national, and international laws applicable to operations, occupational health and safety, and environmental impacts (discharge, emissions, and disposal), which is verified during the audit.

All vendors and agents must disclose facilities and subcontractors used for Burton production. Changes or additions to facilities or subcontractors must be identified in writing to the Burton Sustainability Team at least six weeks before production starts. On average, it will take six (6) weeks to schedule and execute an initial facility audit. Inquiries and requests can be made by e-mailing: [sustainability@burton.com](mailto:sustainability@burton.com). Please also reference the Burton Manufacturing Guide and Subcontractor Policy, located in the Vendor Guide.

At Burton's discretion, audits will be conducted regularly for every facility. Every finished goods factory will be audited at least once within a three-year period. The initial audit will be paid for by the manufacturer and

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<sup>1</sup>within the meaning of 19 U.S.C. § 1307



scheduled by Burton. At Burton's discretion, a recent full on-site audit report conducted by an accredited third-party may be accepted for review against Burton's standards. If the report is rejected, the factory must undergo a new on-site audit, at cost to the vendor. All agents that change production facilities are liable to pay for an initial audit to approve any new facility prior to starting production. Burton utilizes an audit result scoring system. Suppliers are liable to pay all initial and follow-up audits to approve any new or existing facility to begin or continue production. Burton utilizes an audit result scoring system. Burton uses sustainability monitoring results as an integral part of its supply chain strategy, influencing how we rate, select, and develop vendor partnerships.

Violations of this Policy will be remedied to Burton's satisfaction at the manufacturer's cost. A violation of the above notice requirement and/or failure to receive Burton's prior approval of any subcontractor or facility shall result in the penalties set forth in Exhibit A, attached hereto and incorporated by reference. Burton also reserves the right to take necessary measures to ensure future compliance with this Sustainability Monitoring Policy. Failure to comply with this Policy may ultimately result in termination of the relationship between Burton and the manufacturer, including termination of any manufacturing and license agreements, and/or outstanding purchase orders. Facilities that deny entry to auditors or Burton employees, manipulate or obstruct audits, or cancel a confirmed audit within a week (five business days) of the audit date will be charged Three Thousand and 00/100 Dollars (USD \$3,000.00) to cover audit fees, travel, and/or administrative expenses.

#### 2.4.a. Audit and Follow Up Process

- A typical audit will last six (6) to eight (8) hours including employee interviews, a facility tour, and documentation review. At the end of the audit, the facility manager will be presented with a written list of action items for any issues found during the audit.
- Each facility will receive a rating, as outlined in the table below. All facilities are expected to meet a minimum passing score of 80, rating "**Silver**." Any facility that receives a score of 79 or below will be responsible for continuous improvement, and corrective action shall be implemented until the passing score is met or the relationship is otherwise terminated.
- Burton will provide the facility with a Corrective Action Plan ("CAP") and audit report within approximately seven business days of an audit. See Attachment N for example CAP.
- The CAP's issues are defined and rated by the following degrees of severity:
  - Minor** – A finding that represents low risk to worker safety or the environment.
  - Moderate** – A finding that may breach a code item but is an occasional or isolated issue and represents a risk to worker safety or the environment.
  - Major** – A finding that may breach a code item or local law and represents a significant risk to worker safety, human rights, or the environment.
  - Zero Tolerance** – A non-tolerant finding, which may result in termination of orders with the facility. A significant finding that breaches a code issue or local law and may present a danger to worker safety, human rights, or the environment. Examples of this include child labor, forced/prison labor, life threatening conditions, abuse or harassment, or bribery.
- The facility is required to fill out and return the CAP to Burton within ten (10) business days of receipt.
- The Burton CAP requires the facility to build a root cause analysis of each of the issues found during the audit. The facility is also required to provide Burton with photos and/or documents that serve as evidence of issue correction.
- Burton will review the facility's response to the CAP within approximately two (2) business days of receiving it and will provide feedback to the facility.
- Facilities that receive a Silver or below rating may be required to participate in an e-Learning or onsite training, depending on the severity and nature of non-compliance findings. Any required training will be communicated with the Corrective Action Plan and will be at the expense of the supplier.
- **Facilities receiving an Orange, Red or Zero-Tolerance rating may be subject to an onsite or desktop CAP review and validation at Burton's discretion to verify that non-compliance findings have been remediated.** Suppliers will be responsible for the costs of CAP validation services.
- All "**Zero Tolerance**" issues must be resolved within 24 hours of completion of the original facility audit.

- *Corrective Action is an ongoing process until all issues are resolved or the relationship is otherwise terminated.*

#### 2.4.b. Audit Ratings

Rating	Score	Overview	Follow-Up Audit
Gold	90-100	<ul style="list-style-type: none"> <li>▪ The facility demonstrates best practices.</li> <li>▪ The facility has no major safety, health, labor, or environmental issues.</li> <li>▪ The facility will be re-audited within 24 months of the previous audit.</li> <li>▪ Due to exceptional performance, the next follow-up audit cost is paid by Burton.</li> </ul>	24 months
Silver	80-89	<ul style="list-style-type: none"> <li>▪ The facility has minor system failures, though it may be making progress toward best practices.</li> <li>▪ The facility has some minor safety, health, or labor issues.</li> <li>▪ While the facility is authorized to produce Burton or related licensed products, Burton requires that the issues be corrected in a timely manner as outlined in the CAP.</li> <li>▪ The facility will be re-audited within 18 months of the previous audit.</li> <li>▪ The facility is responsible to pay the audit cost regardless of audit type.</li> </ul>	18 months
Orange	71-79	<ul style="list-style-type: none"> <li>▪ The facility has some major safety, health, or labor issues and/or the facility is making no progress.</li> <li>▪ These issues may include excessive working hours, incorrect overtime compensation, or locked emergency exits.</li> <li>▪ If a facility fails to follow through on agreed facility upgrades and/or related remedial actions, Burton reserves the right to cancel any outstanding purchase order(s), manufacturing agreement(s), or license agreement(s).</li> <li>▪ The facility will be re-audited within 12 months of the previous audit.</li> <li>▪ The facility is responsible to pay the audit cost regardless of audit type. If a third party conducts the original failing audit, the facility is responsible to pay for another third-party audit.</li> </ul>	12 months
Red	51-70	<ul style="list-style-type: none"> <li>▪ The facility may be uncooperative, demonstrates general disregard for Burton codes and standards, is unwilling or unable to drive important change, deliberately misleads auditors, and/or audit shows critical systemic repeated problems. Examples include but are not limited to: <ul style="list-style-type: none"> <li>- Management specifically refuses or continues to demonstrate that it is unwilling to comply with Burton standards or fails to follow through on agreed facility upgrades.</li> <li>- Facility denies access to Burton-nominated auditors.</li> <li>- Management provides false information (e.g. statements, documents, demonstrates coaching).</li> <li>- Facility outsources to an unapproved or unauthorized facility.</li> <li>- Management uses force to compel illegal work hours.</li> <li>- Management denies workers freedom of association.</li> <li>- Facility is systemically not paying the legally mandated minimum wage or benefits.</li> <li>- Facility conducts pregnancy testing as a condition of employment.</li> <li>- Facility does not provide legally required maternity leave.</li> <li>- Facility critically violates the hours of work standard.</li> </ul> </li> </ul>	Within 9 months

		<ul style="list-style-type: none"> <li>▪ If a facility fails to correct any of the above or similar issues, Burton reserves the right to cancel any outstanding purchase order(s), manufacturing agreement(s), or license agreement(s).</li> <li>▪ Burton requires that any of the above or similar issues be corrected promptly as outlined in the associated CAP. An on-site follow-up inspection may occur as part of corrective action verification.</li> <li>▪ The facility is responsible for paying the audit cost regardless of audit type. If a third party conducts the original failing audit, the facility is responsible to pay for another third-party audit. If an internal audit result was a failing score, the facility must pay for a third-party re-audit.</li> </ul>	
<b>Zero Tolerance</b>	<b>0-50</b>	<ul style="list-style-type: none"> <li>▪ Zero Tolerance issues are absolutely unacceptable. Zero Tolerance issues include: <ul style="list-style-type: none"> <li>- Child Labor</li> <li>- Forced/Prison Labor</li> <li>- Life Threatening Conditions</li> <li>- Abuse or Harassment</li> <li>- Bribery</li> </ul> </li> <li>▪ Burton requires that the facility initiate the correction of any Zero Tolerance issue <u>within 24 hours</u> of the original audit's completion.</li> <li>▪ The Burton Sustainability Team will work with the facility to follow up on remediation for the Zero Tolerance issue, and the facility must schedule a follow-up audit within timelines established by Burton.</li> <li>▪ Burton retains the right to cancel any outstanding contract(s), purchase order(s), manufacturing agreement(s), or license agreement(s). If purchase orders are cancelled, the facility may be placed on probation for up to one year, the ramifications of which shall be solely determined by Burton. The facility will have an on-site follow-up inspection if the relationship has not otherwise been terminated. Following probation, the facility must pass an audit (score of 80 and above) before renewing production. The facility is responsible for paying the audit cost regardless of audit type. If a third party conducted the failing audit, the facility is responsible for the cost of another third-party audit. If an internal audit result was a failing score, the facility must pay for a third-party re-audit.</li> </ul>	<b>Within 9 months</b>

#### 2.4.c. Corrective Action Deadlines

Rating	Timeline to Demonstrate Corrective Action (via CAP file)
Minor	12 Months
Moderate	6 Months
Major	2 months
Zero Tolerance	Initiate the correction of the issue within 24 hours of audit completion

**2.4.d.**

#### Corrective Action Plan (CAP) Guidance

##### CAP submission Requirements

- For every finding, fill out each column in detail - including relevant timelines, responsible employees, and actions taken to remediate.
- Do not modify or change any previous feedback input by Burton.
- Provide supported improvement evidence for non-compliance issues where possible (provide additional documents, photographs, records, etc.).
- Submit the Burton CAP in excel format via email with any improvement evidence attached as PDFs.

- Respond to the Burton CAP within the timeline provided by the Burton Sustainability team.

### Root Cause Analysis

If the root cause of an issue is not identified, then the issue cannot be effectively resolved. If the root cause is not identified and addressed, the issue will often occur again in the future or even worsen over time.

Benefits of completing a Root Cause Analysis (RCS) include:

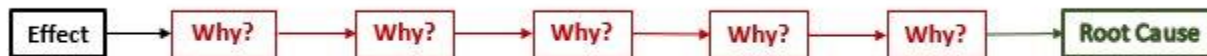
- Higher productivity
- Lower employee turnover rates
- Cost savings due to stronger management systems
- Sustainable, measurable improvement - Higher Sustainability score on Burton Supplier Scorecard

In order to conduct an RCA, you can use the 'Five Why' method. This method is based off the belief that the answer to one 'why' uncovers another reason, in turn generating another 'why.' Five iterations of 'why' is generally enough to determine a root cause.

For example, if a factory has excessive working hours, they may use the 'Five Why' method to determine *why*:

1. Why are working hours excessive? (Because order volume is greater than capacity.)
2. Why is order volume larger than capacity allows? (Because more orders were received than the factory is able to produce in normal working hours. Ex-factory timelines were not extended.)
3. Why were ex-factory timelines not extended? (Because the customer was not aware of the issue or the customer was not flexible in extending ex-factory timelines.)
4. Why was the customer not aware or not willing to extend ex-factory timelines? (There were not sufficient communications regarding capacity.)
5. Root Cause in CAP = Factory and customer had inadequate capacity planning communications.  
*Burton, the customer, is now aware that they need to improve capacity planning communications with the supplier and ensure ex-factory timelines are adjusted when PO volume increases. The supplier now knows how they can improve their capacity planning.*

As you answer 'why' regarding audit issues, make direct observations only and avoid assumptions. Follow the chain of causality from the first cause all the way until the root cause:



### **2.4.e. Code Communication**

Manufactures will maintain on-site all documentation needed to demonstrate compliance with this Code of Conduct. All agents and manufacturers are responsible for ensuring that all employees are aware of the Code of Conduct. **All manufacturers are required to inform employees about this Code of Conduct orally and by posting the Burton Code of Conduct in a conspicuous place frequented by all employees in the local language spoken by employees, supervisors, and managers.**

### **2.4.e. Disclosure of Facility Locations and Audit Results**

Burton, at its discretion, has the right to disclose facility information and audit results publicly.

#### **2.4.f. Additional Audit Requirements for Production in Bangladesh**

In recent years, there have been several tragedies including building collapses and fires that resulted in loss of life at facilities in Bangladesh that had not implemented rigorous safety standards. In response to these tragedies, Burton is maintaining a higher compliance standard for any production facility located in Bangladesh.

Below are the additional requirements for production occurring in Bangladesh:

- All facilities must partake in an annual social responsibility audit conducted by a third-party firm and obtain a passing score of 80 or above.
- All facilities must pay for and provide Burton with structural, electrical, and fire safety assessments annually.
- All facilities must display valid occupancy permits and recent valid inspection certificates for fire and building safety.
- No facility:
  - i. May be in buildings or areas zoned for residential or non-industrial commercial use only.
  - ii. May be in a multi-tenant building; or
  - iii. May be owned by absentee landlords.

#### **2.4.g. Acceptance of Recent and Accredited Third Party Audit Reports**

To reduce audit fatigue in our factories, Burton is willing to receive and review a third-party audit report for an on-site audit that was conducted within the past six (6) months by an accredited third-party. BSCI, Better Work, SA8000, SMETA 4 Pillar, and FLA SCI reports are all acceptable forms of accredited third-party reports if the **full report** is provided.

Once received, the Burton Sustainability Team will review the report and decide to accept or reject the report in place of conducting a planned on-site audit. If the report is accepted, a CAP will be issued and carried out as detailed in section 3.1.1 Audit and Follow-Up Process. If the report is rejected, the Burton Sustainability Team will elect to conduct an on-site audit at the facility under consideration. If there are any questions, please reach out to the Burton Sustainability Team directly by email at [sustainability@burton.com](mailto:sustainability@burton.com).

#### **EXHIBIT A: Subcontractor Penalties**

First Offense: Written warning, and production immediately ceased and relocated to a Burton-approved location. If vendor fails to cease production within ten (10) days of receipt of Burton's written warning, then it shall be subject to the Second Offense penalties set forth below.

Second Offense: Written warning, monetary fine in the amount of Ten Thousand and 00/100 Dollars (USD \$10,000.00) to be paid by vendor to Burton in immediately available funds in accordance with payment terms supplied by an authorized Burton representative, and production immediately ceased and relocated to a Burton-approved location. If vendor fails to pay the fine AND cease production within ten (10) days of receipt of Burton's second written warning, then it shall be subject to the Third Offense penalties set forth below.

Third Offense: Written warning, monetary fine in the amount of Ten Thousand and 00/100 Dollars (USD \$10,000.00) or Ten Percent (10%) of the F.O.B. price of the goods manufactured at such unauthorized location, whichever is greater, to be paid by vendor to Burton in immediately available funds in accordance with payment terms supplied by an authorized Burton representative; and production immediately ceased and relocated to a Burton-approved location. If vendor fails to pay the aforementioned fine AND cease production within ten (10) days of receipt of Burton's third written warning, then Burton may, without liability, immediately terminate all pending production orders with Supplier, regardless of production location.

For purposes of these penalties, a vendor shall be deemed to have received written notice three (3) business days after such notice is sent by Burton via an internationally recognized courier.

In addition to the above penalties, upon three or more separate violations of the subcontractor notice and approval requirements, Burton, at its sole option and without further liability, may immediately terminate all pending production orders with vendor.

*Note: The above penalties shall be applied regardless of whether Burton later approves any such location.*

## 3.0 CHEMICAL COMPLIANCE

### 3.1 Burton Restricted Substances List (RSL)

Burton uses the **bluesign® Restricted Substances List (Attachment B)**. bluesign® is a trusted third-party organization that evaluates and approves chemical inputs from fiber to finished product, including the life cycle of a chemical product. Burton is a long-time bluesign® System Partner and upholds their commitment to sustainable chemistry via the bluesign® CRITERIA. To learn more, please visit the bluesign® [website](#).

This RSL provides chemical limits and restrictions for all products including raw materials, parts, trims, components, hardware, chemicals, mixtures, coatings, and other items used in any way by the Burton supply chain. Suppliers must adhere to this RSL for the finished goods and components (nominated and factory-sourced) supplied to Burton. Note that this RSL goes above and beyond other chemical standards and product regulations. When reviewing a chemical threshold and a comparable regulation, always defer to the more restrictive threshold, which will most often be the RSL.

The bluesign® RSL is updated regularly to adhere with the latest research in chemical toxicity to human health and the environment. In many cases, the limits indicated in the RSL exceed regulatory requirements and industry standards. Burton monitors supplier compliance with the RSL, as outlined below in 3.2. Chemicals Management Monitoring Program.

Burton strongly encourages all suppliers to align with the **bluesign® System Substances List (Attachment C)** to avoid release of harmful substances to the environment during manufacturing. The BSSL establishes usage bans for chemical substances prohibited from the manufacturing of articles. The BSSL also sets the chemical usage ranges for consumer goods according to their consumer safety relevance in the **bluesign® System Usage Range (Attachment O)**.

Per-/polyfluoroalkyl substances (PFAS) are prohibited within the bluesign® system. Please review the **Burton PFAS Policy (Attachment E)** for more technical information.

### 3.2. Chemicals Management Program

Burton uses Chemicals Testing, the Sustainable Chemicals Process Identification and Inventory Management ("SCPIIM"), and the Higg Facility Environmental Module to ensure that all products adhere to our manufacturing standard. We recognize the challenges associated with chemicals management. The Burton Sustainability Team can answer questions or help with education and training upon request. Please contact us by sending an e-mail to [sustainability@burton.com](mailto:sustainability@burton.com).

#### 3.2.a. Chemicals Testing

Chemicals testing is performed each year to ensure compliance with the bluesign® RSL, guided by the **bluesign® Testing Matrix (Attachment G)**. Burton may request testing seasonally or more frequently as necessary based on the risk profile of the materials supplied.

1. Materials are selected for testing based on their composition, placement, color, or novelty in the supply chain. Each supplier will be provided with a list of materials that require testing alongside the composition and chemical of concern by way of a **Test Request Form (Attachment H)** requested over email or the SGS Smart Portal.



2. Suppliers are responsible for shipment of material samples to approved testing laboratories (details below). Samples must
  - Meet minimum sample size / mass requirements
  - Be individually packaged and labeled
  - Shipped to testing labs within 1 month of request or sooner if available.
3. Suppliers may alternatively provide equivalent test reports from a ISO17025 certified lab or documented proof of RSL compliance through an approved standard.

At times, chemicals testing demonstrates failed compliance with our RSL. If applicable, material test failures are reviewed, investigated, and corrective actions are implemented via an emailed **Chemical Failure Resolution Form (Attachment I)**. Please see **Burton's Chemical Failure Standard Operating Procedure (Attachment J)** for more details.

### **3.2.b Restricted Chemicals Failure**

Burton determines a confirmed RSL compliance failure when a material has failed an RSL test twice in a single production season. In the event of a failure, Burton will partner with the supplier to complete a Failure Resolution Form, which may contain:

- Request for additional testing if deemed necessary.
- Corrective Action Plan(s)
  - Root Cause Analyses
  - Remedies to correct the immediate failure and prevent future failures.
- Responsible disposal for noncompliant units and/or materials.

Suppliers must complete the Failure Resolution Form and all related contents with Burton. If the initial Root Cause Analysis is inconclusive or incomplete in a manner that does not resolve the issue(s), then a Chemicals Management Verification and/or Audit may be required, as specified in section 3.2.g below. Please review **Burton's Chemical Failure Standard Operating Procedure (Attachment J)** for more details.

### **3.2.c Restricted Chemicals Failure Corrective Action Plan**

A Corrective Action Plan (CAP) will be issued for confirmed chemical failures. Depending on the type and severity of the chemical failure, Burton will coordinate with the Supplier to set an appropriate timeline for completing the CAP. The minimum completion time is no more than 7 business days. If an alternative chemical formula or material is sourced to remedy the failure it will need to undergo a final RSL chemical compliance test, which the Supplier is responsible to pay for with Burton's direction.

### **3.2.d Liability for Restricted Chemicals Failure**

Material(s) or style(s) chemical compliance testing occurs over two phases: (1) to verify compliance. Only if there is a failure, then (2) a second test to verify the failure. Should a failure in the first phase of testing cause incurred costs and the results of the second test are passing, then Burton will pay for the incurred costs. However, if the results of the second test are a failure, indicating a confirmed failure, then the supplier is responsible for paying the incurred costs which may be captured in a chargeback. Any chargebacks to the supplier due to chemical failures will be communicated to them before implementation.

### **3.2.e. Penalties for Restricted Chemicals Failures**



Depending on the severity and frequency of an RSL failure, Burton reserves the right to charge suppliers a penalization fee. The fee may be used to cover the cost of a third-party audit, additional training resources, or other tools to bring the supplier and material back into compliance. Fees may be implemented through chargebacks. This will be communicated to the supplier prior to implementation.

### 3.2.d Burton's Approved SGS Laboratories

Burton uses SGS testing labs for our Seasonal Chemicals Testing. Contact Information is listed below.

SGS Guangzhou - Softgoods	SGS Guangzhou - Hardgoods
<p>SGS-CSTC Standards Technical Services Co., Ltd. 2/F, 198 Kezhu Road, Science Park, Economic and Technological Development Zone, Guangzhou, CHINA 510663</p> <p>Contact: Kitty Zhang Email : <a href="mailto:Kitty.Zhang@sgs.com">Kitty.Zhang@sgs.com</a> Phone : +86 20-8215 5601 Telefax: +86 20-8207 5161</p>	<p>SGS-CSTC Standards Technical Services Co., Ltd. 1<sup>st</sup> Floor, 2<sup>nd</sup> building, 198 Kezhu Road, Sciencetech Park Guangzhou Economic &amp; Technology Development District, Guangzhou, Guangdong, China 510700</p> <p>Contact: Tiffany Huang Email: <a href="mailto:Tiffany.huang@sgs.com">Tiffany.huang@sgs.com</a> Phone: +86-20-8215-5535 Telefax: +86-20-8215 5535</p>
SGS Hong Kong	SGS Shanghai - Softgoods
<p>SGS Hong Kong Ltd. 4/F On Wui Centre, 25 Lok Yip Road, Fanling, New Territories, Hong Kong</p> <p>Contact: Wing Yan Law Email: <a href="mailto:WinYan.Law@sgs.com">WinYan.Law@sgs.com</a> Sample pick-up: (852) 2774-7133 Telefax: (852) 2330-4862</p>	<p>SGS-CSTC Standards Technical Services Co., Ltd. 4/F, 4<sup>th</sup> Building, No. 889, Yishan Road, Xuhui District Shanghai, China. 200233</p> <p>Contact: Juju Zhang Email : <a href="mailto:Juju.Zhang@sgs.com">Juju.Zhang@sgs.com</a> Phone : +86 21-6107-2862 Telefax: +86 21-6495-8763</p>
SGS Vietnam	
<p>SGS Vietnam Ltd – Ho Chi Minh Laboratory Lot III/21, 19/5A Street, Industrial Group III, Tan Binh Industrial Zone, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam</p> <p>Contact: Lisa Lee Email: <a href="mailto:Lisa.Lee@sgs.com">Lisa.Lee@sgs.com</a> Phone: +(84 8) 3816 0999 Telefax: +(84 8) 3816 0996</p>	

### 3.2.e. Sustainable Chemicals Process Identification and Inventory Management (“SCPIIM”)

All suppliers are required to complete a **Sustainable Chemicals Process Identification and Inventory Management (Attachment K)** upon onboarding and on an annual basis. Any facility used for Burton production is required to provide a full chemical inventory, including but not limited to:

- Volume reporting
- Globally Harmonized System (GHS) formatted Safety Data Sheet (SDS) for each ingredient, processing, and facility cleaning chemical.
- Submission of wastewater and air emissions reports from all facilities.

This information is checked against bluesign® standards and global regulations to facilitate responsible chemical management practices. At Burton's discretion, a complete Higg Facility Environmental Module for each facility may be accepted in lieu of an annual SCPIIM. Burton will contact suppliers with this request and will provide the latest version of the template.

### **3.2.f. Higg Facility Environmental Module (FEM)**

The Higg Index, owned by Worldly, is a suite of tools which enable brands to accurately measure and score the sustainability performance of their supply chain. The Higg FEM is a reporting tool which helps Burton to evaluate the environmental performance of individual facilities and to estimate our global carbon emissions. The FEM asks a series of questions related to topics such as: Energy, Water, Waste, Wastewater, and Air Quality. All suppliers must complete the FEM annually for each facility, at cost to the supplier, and share the module results with Burton via the Higg Index platform. Burton Snowboard's Higg ID: 109963. **Suppliers are required to have their module verified annually.**

Burton requires the FEM to understand the environmental impacts of production processes and to estimate Burton's supply chain carbon emissions. **Burton will use the information provided to inform suppliers of their environmental performance via the Supplier Scorecard.** Our goal is to increase facility participation and cooperation, so that we may create a more sustainable and accountable supply chain and reduce our carbon emissions. For more information, see <https://worldly.io/>.

### **3.2.g. Chemicals Management Verification and Audits**

Improper chemical storage, transportation, use, or disposal can adversely impact environmental health and safety and contribute to RSL compliance failures. At Burton's discretion, we may conduct a chemicals management audit to evaluate practices in any facility producing Burton goods, announced or unannounced. This audit may include observation, interviews with facility workers, and document review. If an issue is identified, a Corrective Action Plan ("CAP") will be issued.

An audit is conducted to confirm the following requirements are met, among others:

- 1) Renewed SCPIIM including those used in manufacturing and cleaning processes, each with annual volumes.
- 2) Globally Harmonized System of Classification (GHS), including labeling and compliant Safety Data Sheet (SDS) for all chemicals readily available to workers, written in languages and understood by anyone regularly working at the facility.
- 3) Protections for workers aligned to each SDS. Protections may include a combination of personal protective equipment and/or controls within the facility.
- 4) Proper labeling of storage containers and storage areas.
- 5) Documented Standard Operating Procedures (SOPs) and compliant implementation.

### **3.2.h. Guidance on Implementing a Strong Chemicals Management Program**

Burton encourages its suppliers to continually develop their chemicals management and Environmental Health & Safety programs beyond regulatory requirements and those outlined in this document. Guidance on incorporating these and other elements in your own program can be found in **Chemicals Management Guide & Training for Manufacturers (Attachment L)**.

### **3.5 The Registration, Evaluation, Authorization, and Restriction of Chemicals (“REACH”) Regulation EC No 1907/2006**

Burton’s RSL strictly bans all SVHC candidates. Please review the latest edition of the RSL for all SVHC thresholds. All suppliers are expected to abide by the thresholds established by the RSL. The REACH thresholds do not supersede the RSL thresholds.

None of the products and packaging materials supplied to Burton shall contain SVHC candidate(s) more than the RSL threshold, substances restricted in articles, or substances that are subject to authorization under REACH. Suppliers shall commit to comply with this and all future SVHC candidates added to this regulation will immediately inform Burton if an SVHC is present more than the RSL threshold in an article supplied to Burton.

### **3.6 Proposition 65 of The Safe Drinking Water and Toxic Enforcement Act of 1986**

None of the products and packaging supplied to Burton shall contain any chemical(s) listed on the Proposition 65 list. If a Proposition 65 chemical(s) is present in a product or packaging, you shall notify Burton prior to production and with sufficient lead-time to comply with the applicable labeling requirements of the law and reasonably meet the target date for product launch to market. You will also commit to removing said chemical(s) from our supply chain, manufacturing processes, products, and packaging supplied to Burton as soon as reasonably achievable.

### **3.7 The Consumer Product Safety Act (“CPSA”), The Consumer Product Safety Improvement Act (“CPSIA”), and The Canada Consumer Product Safety Act (“CCPSA”).**

Burton’s RSL sets strict thresholds for Lead, Phthalates, and Flame Retardants that are more stringent than those of CPSA, CPSIA, and CCSPA. All suppliers are expected to abide by the thresholds established by the RSL. The CPSA, CPSIA, and CCSPA thresholds do not supersede the RSL thresholds. Please review the latest edition of the RSL to ensure compliance.

Suppliers shall ensure all Burton products and packaging comply with the applicable requirements of CPSA, CPSIA, and CCSPA primarily by meeting the threshold expectations of the RSL. This includes but is not limited to the furnishing of third-party analytical testing reports for lead in children’s products. Note that CPSIA requires third-party analytical testing for Lead, Phthalates, and Flammability in children’s products.

### **3.9 Products and Materials Meant to Have Contact with Food**

Any product or material intended to have contact with food shall comply with the regulatory standards of the target market. This includes U.S. compliance with 21 CFR § 177 of the U.S. Code of Federal Regulations, EU compliance including Regulation No. 10/2011, CM/Res (2013)9, and Resolution AP (2004)5, as well as Japanese compliance with all Food Sanitation Laws. Suppliers shall provide declaration(s) of compliance to U.S. market standards at a minimum prior to production. Burton will conduct chemicals testing which verifies compliance with North American, European, Japanese, and Chinese markets prior to production.

## 4.0 Traceability Verification

In alignment with our purpose, Burton continues to design and manufacture products which support the future of our sport, people, and planet. Burton is working to increase our sourcing of more sustainable materials, which minimize the negative impacts associated with textile production while upholding a high standard of supply chain integrity. It is Burton's responsibility as an importer to validate each stage of the supply chain for materials used in Burton goods.

Burton must trace supply chains from the raw material harvester to the finished good supplier as compliant with customs requirements. This process helps to ensure transparency in the Burton supply chain while verifying that finished products meet our sustainability commitments and marketing claims. This may include, but is not limited to, purchase orders, invoices, bills of lading, and other customs documentation to prove the chain of custody from raw material through finished goods manufacturing, for each tier of the supply chain.

For additional information about sourcing restrictions and traceability requirements, please reference the **Burton Material Traceability Policy** (Attachment D).

### List of Attachments

The following relevant documents are available for download at :

Requirements	Document Description (including cadence of update)
Attachment A- FLA Workplace Code of Conduct and Compliance Benchmarks	The FLA Workplace Code of Conduct and Compliance Benchmarks defines labor standards that aim to achieve decent and humane working conditions. Suppliers are expected to comply with the benchmarks and implement the Workplace Code in their applicable facilities.
Attachment B - bluesign Restricted Substances List ("RSL")	Burton's a bluesign System Partner and expects all suppliers to abide by the bluesign RSL; updated annually.
Attachment C - bluesign System Substances List ("BSSL")	The BSSL is an expansion of the RSL to further define usage bands for chemicals prohibited from manufacturing of articles.
Attachment D– Burton Material Traceability Policy	This policy defines Burton's supply chain traceability requirements, which suppliers are in-scope of those requirements, and how they can comply.
Attachment E – Global PFAS Policy	Burton's stance on per-/polyfluoroalkyl substances aligns with the bluesign RSL and BSSL to reflect a full ban in all products.
Attachment F- Burton Preferred Materials Certification Table	Specifies the accepted Material Certifications.
Attachment G- bluesign Testing Matrix	This is a chemical risk matrix designed by bluesign to identify what materials should be tested for RSL compliance.
Attachment H- Test Request Form	Template for Chemical Compliance Testing, also known as a TRF
Attachment I- Chemical Failure Resolution Form	Template that shared with Supplier during a chemical noncompliance to track test results and Corrective Action Plan.

Attachment J- Burton's Chemical Failure Standard Operating Procedure	Provides guidance to Suppliers/Vendors of materials or product to Burton for how to manage an RSL compliance failure after the primary test has resulted in a FAIL.
Attachment K- SCPIIM Template	Template used to inventory a Supplier's chemical inventory. This will be issued upon onboarding, at Burton's discretion, and in the event of a chemical failure.
Attachment P – Burton Chemistry Policy	This policy functions as a consolidating document to unite all Burton Chemical policies, including RSL testing, SOPs, operational documents, and stances. Burton's Chemistry Policy is built on the following,
<b>Resources</b>	
Attachment L- Chemicals Management Guide & Training for Manufacturers	Burton collaborated with the Outdoor Industry Association to produce guidance for suppliers on how to responsibly manage chemicals and identify opportunities for training.
Attachment M- Pre-Audit Checklist	The list of documents a supplier must submit to Burton and the audit firm (if applicable) before a social compliance audit can be conducted.
Attachment N- Social Compliance Audit Corrective Action Plan ("CAP") Example	An example of a fully and correctly completed Corrective Action Plan. Suppliers can reference this example to ensure they complete the CAP in the correct way and provide all required information.
Attachment O- bluesign® System Usage Range	Usage ranges classify consumer goods according to their consumer safety relevance.