

California Transparency in Supply Chains Act (SB 657)

In 2010, a law was passed in the state of California which requires companies to disclose what they are doing to address human trafficking in their supply chains. Referred to as SB 657, the California Transparency in Supply Chains Act seeks to “educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains ... to improve the lives of victims of slavery and human trafficking.”

DJO Global, Inc. (“DJO”) maintains a strict no tolerance policy with regard to slavery and human trafficking; under no circumstances is it acceptable for child, forced or trafficked labor to be used by DJO’s suppliers in the production of DJO’s products or product components. In furtherance of DJO’s no tolerance policy, DJO has instituted a Code of Supplier Conduct (“[CSC](#)”) that DJO’s authorized suppliers must abide by, and which explicitly prohibits forced labor of any kind.

Below, DJO has listed each of the five cornerstones of the California Transparency in Supply Chains Act, followed by an explanation of the actions DJO is taking to address each pillar.

Extent to which Company engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. Disclosure shall specify if the verification was not conducted by a third party.

DJO requires, as a condition of doing business with DJO, that its suppliers comply with DJO’s CSC. DJO has unrestricted access to monitor all of its suppliers’ facilities and evaluate relevant records for purposes of verifying that DJO’s suppliers are in compliance with DJO’s CSC. DJO may engage in third-party verification of its supply chains to evaluate supplier’s compliance.

Extent to which Company conducts audits of suppliers to evaluate compliance with company standards for trafficking and slavery in supply chains. Disclosure shall specify if the verification was not an independent, unannounced audit.

DJO periodically conducts supplier audits, which may, at DJO’s discretion, include announced and unannounced audits in the supplier facilities that DJO monitors. DJO has the right to engage in unannounced third-party verification of its supply chains. In conducting these audits, DJO seeks to verify whether DJO’s company standards per its CSC and Global Procurement Standards (“[GPS](#)”) are being followed at the supply level.

Extent to which Company 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 they are doing business.

All of DJO’s authorized suppliers are required to abide by DJO’s Purchasing General Terms and Conditions. DJO’s Purchasing General Terms and Conditions stipulate that:

“in performance of work hereunder, Seller shall comply with all applicable international, federal, state and local laws, rules and regulations.”

In addition, each of DJO’s authorized suppliers are provided an introductory packet which includes, among other things, DJO’s CSC and accompanying attestation form which states that supplier has read and understands DJO’s CSC and shall adhere to the standards DJO sets forth therein.

Extent to which Company maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.

Failure of DJO employees to abide by DJO's policies can result in correct action up to and including termination of employment. In addition, failure of DJO's supplier's to abide by DJO's CSC can result in corrective action up to and including the termination of all existing business with such supplier.

Extent to which Company provides its employees and management, which have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

DJO endeavors to work directly with its employees and management personnel who are directly responsible for supply chain management in order to ensure continued adherence to DJO's policies prohibiting forced labor or any kind. In furtherance thereof, DJO provides its employees who have direct responsibility for supply chain management training on DJO's CSC.