

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

v.

BALI LEATHERS, INC., *et al.*,

Defendant.

Lead Case No. RG 19-029736

[Consolidated with Case No. RG 19-034870]

**[PROPOSED] SECOND AMENDED  
CONSENT JUDGMENT AS TO G-III APPAREL GROUP, LTD. AND  
AM RETAIL GROUP, INC.**

1 This Second Amended Consent Judgment supersedes the Amended Consent Judgment  
2 entered by the Court on June 7, 2022 in the action captioned as *Center for Environmental Health*  
3 *v. Bali Leathers, Inc., et al.* (Case No. RG 19-029736) (the “Action”) as to affiliated Defendants  
4 G-III Apparel Group, Ltd. (“G-III Apparel”) and AM Retail Group, Inc. (“AM Retail”) (together,  
5 “Settling Defendants”) only. Pursuant to Section 3.2 of the Amended Consent Judgment entered  
6 June 7, 2022, this Second Amended Consent Judgment (hereinafter, “Consent Judgment”)  
7 incorporates product reformulation standards consistent with those set forth in the tannery  
8 protocol consent judgment entered by the Court in these consolidated actions on February 21,  
9 2024 (hereinafter, the “Protocols”). This Consent Judgment also adds an additional product type  
10 to be reformulated by G-III Apparel under the Protocols. The earlier-entered Amended Consent  
11 Judgment shall remain in effect as to Defendant Ultra Marketing, Inc., which has elected to  
12 provide warnings in lieu of product reformulation. Defendants Bali Leathers, Inc. and Petzl  
13 America, Inc. have elected to adopt the Protocols, but will be governed by a separate Second  
14 Amended Consent Judgment reflecting this commitment.

15 **1. INTRODUCTION**

16 1.1 The Parties to this Consent Judgment are the Center for Environmental Health, a  
17 California non-profit corporation (“CEH”), and Settling Defendants. CEH and each Settling  
18 Defendant are referred to herein together as the Parties or singly as a Party. The Parties enter into  
19 this Consent Judgment to settle certain claims asserted by CEH against Settling Defendants as set  
20 forth in the operative complaint in the Action. This Consent Judgment covers gloves and  
21 footwear made with leather materials that are tanned with chromium compounds. CEH asserts  
22 that leather used to make such products will under foreseeable circumstances expose consumers  
23 to hexavalent chromium (“CrVI”), which is a chemical listed under Proposition 65 as known to  
24 the State of California to cause cancer and reproductive toxicity.

25 1.2 On May 14, 2019, CEH issued a 60-day Notice of Violation under California  
26 Health & Safety Code Section 25249.5 *et seq.* (“Proposition 65”) to each of the Settling  
27 Defendants, the California Attorney General, the District Attorneys of every county in California,  
28 and the City Attorneys of every California city with a population greater than 750,000, alleging

1 that Settling Defendants violated Proposition 65 by exposing persons to CrVI from gloves made  
2 with leather materials without first providing a clear and reasonable Proposition 65 warning.

3 1.3 On August 2, 2019, CEH filed the original Complaint in the Action, naming  
4 Settling Defendants as original defendants. On May 19, 2022, CEH filed the operative First  
5 Amended Complaint in the Action (the “Complaint”).

6 1.4 On August 9, 2024, CEH issued a 60-day Notice of Violation under Proposition 65  
7 to G-III Apparel, the California Attorney General, the District Attorneys of every county in  
8 California, and the City Attorneys of every California city with a population greater than 750,000,  
9 alleging that G-III Apparel violated Proposition 65 by exposing persons to CrVI from footwear  
10 made with leather materials without first providing a clear and reasonable Proposition 65  
11 warning.

12 1.5 Upon entry of this Consent Judgment, the operative Complaint shall be deemed  
13 amended to include allegations against G-III Apparel as to CrVI in footwear made with leather  
14 materials.

15 1.6 Each Settling Defendant is a business entity that is also a person in the course of  
16 doing business as such term is defined under Proposition 65.

17 1.7 For purposes of this Consent Judgment only, the Parties stipulate that this Court  
18 has jurisdiction over the allegations of violations contained in the Complaint and personal  
19 jurisdiction over each Settling Defendant as to the acts alleged in the Complaint, that venue is  
20 proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce this  
21 Consent Judgment as a full and final resolution of all claims which were or could have been  
22 raised in the Complaint based on the facts alleged therein with respect to Covered Products sold  
23 by Settling Defendants.

24 1.8 Nothing in this Consent Judgment is or shall be construed as an admission by the  
25 Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with  
26 the Consent Judgment constitute or be construed as an admission by the Parties of any fact,  
27 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall  
28 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any

1 other pending or future legal proceedings. This Consent Judgment is the product of negotiation  
2 and compromise and is accepted by the Parties solely for purposes of settling, compromising, and  
3 resolving issues disputed in this Action.

## 4 **2. DEFINITIONS**

5 2.1 A “Certified Tannery” is a leather tannery that (a) is certified to produce Chrome-  
6 Tanned Leather pursuant to the Reformulation Protocol and provides a certification substantially  
7 in the form set forth on Exhibit A, or (b) provides a certification demonstrating that the tannery  
8 has achieved certification with overall Gold rating under the Leather Working Group (LWG)  
9 Audit Protocol P7.2.2 (or any subsequent higher version that is in force at the time of  
10 certification), or has attained a Gold medal rating in the section “Restricted Substances,  
11 Compliance & Chromium VI Management” (or any subsequent section or sections regarding  
12 CrVI management) (“LWG Certification”).

13 2.2 “Chrome-Tanned Leather” means leather, other than Exotic Leather, tanned with  
14 chromium compounds.

15 2.3 “Covered Products” means:

16 2.3.1 As applied to G-III Apparel:

17 2.3.1.1 Footwear for which normal and foreseeable use will result in one  
18 or more Chrome-Tanned Leather components coming into direct contact with the skin of the  
19 average user’s foot or leg while the footwear is worn (*e.g.*, a Chrome-Tanned Leather insole,  
20 tongue, liner, unlined upper, or strap); and

21 2.3.1.2 Gloves for which normal and foreseeable use will result in one  
22 or more Chrome-Tanned Leather components coming into direct contact with the skin of the  
23 average user’s hand while the gloves are worn (*e.g.*, an unlined glove, or one that is lined with  
24 Chrome-Tanned Leather);

25 2.3.2 As applied to AM Retail:

26 2.3.2.1 Gloves for which normal and foreseeable use will result in one  
27 or more Chrome-Tanned Leather components coming into direct contact with the skin of the  
28

1 average user’s hand while the gloves are worn (*e.g.*, an unlined glove, or one that is lined with  
2 Chrome-Tanned Leather)

3 2.4 “CrVI” means chromium (hexavalent compounds), a chemical listed under  
4 Proposition 65 as a known carcinogen and reproductive toxicant.

5 2.5 “Effective Date” means the date on which this Consent Judgment is entered by the  
6 Court.

7 2.6 “Exotic Leather” means leather that is made from hides of exotic animals such as  
8 alligators, crocodiles, sharks, lizards, snakes, and ostriches.

9 2.7 “Final Compliance Date” means the earlier of the date twenty-four (24) months  
10 after the Effective Date or December 31, 2025.

11 2.8 “Initial Compliance Date” means six (6) months prior to the Final Compliance  
12 Date.

13 2.9 “Reformulated Leather” means Chrome-Tanned Leather that was produced  
14 pursuant to the Reformulation Protocol by a Certified Tannery.

15 2.10 “Reformulation Protocol” means the leather tanning protocol set forth on Exhibit  
16 B.

17 2.11 “Skin Contact Component” means a Chrome-Tanned Leather component that  
18 comes into direct contact with the skin of the average user’s hand or foot while the Covered  
19 Product is being worn.

20 2.12 “Supplier” means an entity from which a Settling Defendant purchases or acquires  
21 Covered Products or Chrome-Tanned Leather components used to manufacture Covered  
22 Products.

### 23 **3. FACTUAL BACKGROUND**

24 3.1 Chromium exists in different valence states. One of those states is CrVI and  
25 another is trivalent chromium, which is also known as CrIII. Neither elemental chromium nor  
26 CrIII is a listed chemical under Proposition 65.

27 3.2 Chromium tanning is a process of preserving hides that uses CrIII compounds.  
28 CrVI is not intentionally added to leather in the tanning process.

1           3.3     The valence state of chromium is unstable in nature. For example, CrIII will under  
2 certain environmental conditions oxidize into CrVI. Likewise, CrVI will under certain  
3 environmental conditions reduce into CrIII.

4           3.4     The process by which CrIII turns into CrVI is called oxidation. Certain chemicals  
5 called antioxidants prevent or inhibit the oxidation process of chromium. Antioxidants can thus  
6 prevent the formation of CrVI in or on the surface of the leather.

7           3.5     Environmental conditions that affect the oxidation and reduction of chromium  
8 between CrIII and CrVI include temperature, humidity, and pH.

9           3.6     The Reformulation Protocol requires tanneries to take steps to minimize the  
10 potential introduction of CrVI to leather during the tanning process for Chrome-Tanned Leather  
11 and to use antioxidants that are baked into the hides during the tanning process. If a tannery  
12 follows the Reformulation Protocol, the antioxidants will prevent or inhibit the oxidation process  
13 such that there will not likely be detectable CrVI on the surface of the leather.

#### 14     **4.     INJUNCTIVE RELIEF**

##### 15           4.1     **Notice to Suppliers.**

16           4.1.1    To the extent any Settling Defendant has not already done so, no more than  
17 sixty (60) days after the date of entry of this Consent Judgment, each Settling Defendant shall  
18 provide notice to each of its current Suppliers that all Chrome-Tanned Leather used to  
19 manufacture Skin Contact Components of Covered Products manufactured, distributed, or sold by  
20 the Settling Defendant must be Reformulated Leather. The notice shall request that (a) any  
21 Supplier of Chrome-Tanned Leather that is a tannery used to manufacture Skin Contact  
22 Components provide to the Settling Defendant either (i) a certification in the form of Exhibit A,  
23 or (ii) an LWG Certification; (b) any Supplier of Chrome-Tanned Leather or finished product that  
24 is not a tannery obtain from its supplier(s) of Chrome-Tanned Leather used to manufacture Skin  
25 Contact Components of Covered Products either (i) a certification in the form of Exhibit A, or (ii)  
26 an LWG Certification; and (c) all Suppliers retain certifications for Chrome-Tanned Leather for a  
27 period of at least five (5) years and, to the extent not already provided, produce them upon written  
28 request of the Settling Defendant.

1           4.1.2 Prior to or coincident with ordering any Skin Contact Components or  
2 Covered Products from a new Supplier or a Supplier who has not received a notice from the  
3 Settling Defendant under Section 4.1.1 within five (5) years of the date of such order, a Settling  
4 Defendant shall provide a notice to such Supplier, consistent with Section 4.1.1.

5           4.1.3 Any written notice sent pursuant to this Section shall include the written  
6 Tannery Certification and Reformulation Protocol set forth in Exhibits A and B. The written  
7 notice attached hereto as Exhibit C is deemed to comply with the requirements of this Section.

8           **4.2 Reformulation.**

9           **4.2.1 Phased Compliance Timeline.**

10           4.2.1.1 After the Initial Compliance Date, each Settling Defendant shall  
11 ensure that all of the Chrome-Tanned Leather used to manufacture Skin Contact Components of  
12 at least seventy-five percent (75%) of Covered Products purchased or manufactured by Settling  
13 Defendant that a Settling Defendant knows or has reason to believe may be sold or offered for  
14 sale by Settling Defendant or any entity downstream of Settling Defendant in California is  
15 Reformulated Leather.

16           4.2.1.2 After the Final Compliance Date, and subject to Section 4.3,  
17 each Settling Defendant shall ensure that all of the Chrome-Tanned Leather used to manufacture  
18 Skin Contact Components of Covered Products purchased or manufactured by Settling Defendant  
19 that a Settling Defendant knows or has reason to believe may be sold or offered for sale by  
20 Settling Defendant or any entity downstream of Settling Defendant in California is Reformulated  
21 Leather.

22           4.2.1.3 A Settling Defendant's compliance with this Section 4.2.1 shall  
23 be determined by the number of styles of Covered Products that contain only Skin Contact  
24 Components supplied by a Certified Tannery divided by the total number of styles of Covered  
25 Products. A Settling Defendant shall be entitled to rely on Supplier certifications to demonstrate  
26 compliance with this Section 4.2.1.

27           4.2.2 If a Settling Defendant is unable to comply with the requirements of  
28 Section 4.2.1 for the Initial Compliance Date, then within thirty (30) days of such date, as

1 applicable, it shall serve on CEH a report detailing the extent of its compliance with such  
2 requirement, and the circumstances that prevented compliance with such requirement.

3           4.3    **Warnings.** After the Final Compliance Date, a Settling Defendant may utilize  
4 Skin Contact Components that were not supplied by a Certified Tannery, but only as set forth in  
5 this Section. If a Settling Defendant makes a determination that it is not “feasible” to obtain Skin  
6 Contact Components from a Certified Tannery, it may proceed under this Section for such  
7 Covered Product.

8                   4.3.1    The term “feasible” includes, but is not limited to, consideration of the  
9 following factors:

10                           4.3.1.1    the availability of Chrome-Tanned Leather from Certified  
11 Tanneries;

12                           4.3.1.2    the cost of Chrome-Tanned Leather and resulting increase in  
13 manufacturers’ prices resulting from the use of leather from Certified Tanneries, which factor  
14 includes the geographic proximity of the factory producing the Covered Product and any Certified  
15 Tannery that can produce the leather used in the Covered Product; and

16                           4.3.1.3    the availability, cost, and performance and aesthetic  
17 characteristics of non-Chrome-Tanned Leather that could substitute for Chrome-Tanned Leather  
18 in Skin Contact Components of Covered Products;

19                   4.3.2    No Settling Defendant may sell a Covered Product that such Settling  
20 Defendant knows or has reason to believe may be sold or offered for sale in California by Settling  
21 Defendant or any entity downstream of Settling Defendant for which it has made a determination  
22 that is not “feasible” to obtain Skin Contact Components from a Certified Tannery unless such  
23 Covered Product is labeled with a Clear and Reasonable Warning.

24                           4.3.2.1    A Clear and Reasonable Warning under this Consent Judgment  
25 shall state:



26                   **WARNING:** This product can expose you to chemicals including chromium  
27 (hexavalent compounds), which is known to the State of California to cause cancer  
28



1 and birth defects or other reproductive harm. For more information go to  
2 [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

3 The word “**WARNING**” shall be displayed in all capital letters and bold print and shall be  
4 preceded by the yellow warning triangle symbol depicted above, provided however, the symbol  
5 may be printed in black and white if the Covered Product label is produced without using the  
6 color yellow. This warning statement shall be prominently displayed on the outer packaging or  
7 tag of the Covered Product and shall be displayed with such conspicuousness, as compared with  
8 other words, statements, or designs, as to render it likely to be seen, read, and understood by an  
9 ordinary individual prior to sale. Where a sign or label used to provide a warning includes  
10 consumer information about a product in a language other than English, the warning shall also be  
11 provided in that language in addition to English.

12 4.3.2.2 For online and catalog sales, any Settling Defendant that  
13 provides warnings pursuant to this Section shall (i) ensure that Clear and Reasonable Warnings  
14 under Section 4.3.2 are provided for Covered Products that the Settling Defendant sells online to  
15 consumers in California, and (ii) provide the warning language required in Section 4.3.2.1 to any  
16 customers whom it knows or has reason to believe are offering the Settling Defendants’ Covered  
17 Products for which a warning is required for sale online to consumers in California. Settling  
18 Defendants shall also revise any product catalogs printed after the Final Compliance Date to  
19 include the warning language required in Section 4.3.2.1 for each Covered Product identified in  
20 the catalog that requires a Clear and Reasonable Warning pursuant to this Section. For internet,  
21 catalog, or any other sale where the consumer is not physically present, the warning statement  
22 shall be displayed in such a manner that it is likely to be read and understood by an ordinary  
23 individual prior to the authorization of or actual payment.

24 4.3.3 Any Settling Defendant that provides a warning pursuant to the feasibility  
25 option of this Section shall provide a detailed written report to CEH within forty-five (45) days of  
26 the end of each calendar year regarding the use of the feasibility warnings, the units covered, and  
27 the specific factual basis for the feasibility finding. This reporting obligation shall terminate five  
28 (5) years after the Effective Date.

1           4.3.4 No Settling Defendant may make use of the feasibility warnings set forth in  
2 this Section on more than the Allowed Warning Percentage of the styles of Covered Products  
3 shipped to California or to customers which the Settling Defendant knows or has reason to  
4 believe will offer for sale to customers in California in any particular year. The “Allowed  
5 Warning Percentage” shall be thirty-three percent (33%) in the first and second years after the  
6 Final Compliance Date, seventeen percent (17%) in the third year after the Final Compliance  
7 Date, and five percent (5%) thereafter.

8           4.4     **Document Retention Requirements.** All certifications, Supplier notifications,  
9 feasibility documents, and other documents referenced in this Section 4 shall be retained by each  
10 Settling Defendant for four (4) years from the date of creation and made available to CEH upon  
11 written request not more than once per calendar year, commencing on the Final Compliance Date  
12 until the seventh (7th) anniversary of the Effective Date.

## 13     **5.     ENFORCEMENT**

14           5.1     **Enforcement Procedures.** Any Party or any of the public entities identified in  
15 Health & Safety Code section 25249.7(c) (collectively, “Enforcers”) may by motion or  
16 application for an order to show cause before this Court seek to enforce the terms of this Consent  
17 Judgment. Prior to filing any such motion or application, the Enforcer(s) shall provide the  
18 allegedly violating Party with a written notice setting forth the detailed factual and legal basis for  
19 the alleged violation along with any evidentiary support for the alleged violation (“Notice of  
20 Violation”). The Enforcer(s) and the allegedly violating Party shall then meet and confer during  
21 the thirty (30) day period following the date the Notice of Violation was sent in an effort to try to  
22 reach agreement on an appropriate cure, penalty, or related attorneys’ fees related to the alleged  
23 violation. After such thirty (30) day period, the Enforcer(s) may, by motion or application for an  
24 order to show cause before the Superior Court of Alameda, seek to enforce the terms and  
25 conditions contained in this Consent Judgment. Nothing in this Section 5.1 shall impact the  
26 Court’s authority in an enforcement proceeding to impose appropriate remedies, including the  
27 provision of a clear and reasonable warning.  
28

1           **5.2 Notice of Violation Regarding Failure to Comply with Section 4.2.**

2           5.2.1 If an Enforcer serves a Notice of Violation that alleges a violation of the  
3 reformulation requirements set forth in Section 4.2, it shall identify the Covered Product and the  
4 Skin Contact Components that the Enforcer contends were not produced by a Certified Tannery  
5 pursuant to the Reformulation Protocol, along with the evidentiary support for such claim.

6           5.2.2 A Settling Defendant shall serve its response to a Notice of Violation  
7 served under Section 5.2.1 within thirty (30) days of receipt of the Notice, unless extended by  
8 agreement. The response shall include any certification and documentation sufficient to  
9 demonstrate that the Skin Contact Components of the Covered Product that were the subject of  
10 the Notice of Violation were produced by a Certified Tannery.

11           5.2.2.1 If the Settling Defendant's response demonstrates that: (a) the  
12 Skin Contact Components identified in the Notice were produced by a tannery that was a  
13 Certified Tannery at the time of production; or (b) the Notice of Violation identifies the same  
14 Covered Product or Covered Products differing only in size that have been the subject of another  
15 Notice of Violation within the preceding twelve (12) months, the Enforcer shall take no further  
16 action. If the Enforcer contends that the Settling Defendant's response does not satisfy the  
17 provisions of this Section, the Enforcer shall within thirty (30) days of receipt of Defendant's  
18 response notify the Settling Defendant of the basis for its contention, the Notice shall be deemed  
19 contested, and the Parties shall proceed under Section 5.2.4.

20           5.2.2.2 If the Settling Defendant does not serve a response within thirty  
21 (30) days of receipt of the Notice, it shall be deemed to contest the Notice and the Parties shall  
22 proceed under Section 5.2.4.

23           5.2.3 If the Settling Defendant elects not to contest a Notice of Violation served  
24 under Section 5.2.1, the Settling Defendant shall do the following:

25           5.2.3.1 For the first Notice of Violation served on a particular Setting  
26 Defendant, within fourteen (14) days after serving its response to the Notice of Violation, the  
27 Settling Defendant shall take corrective action consisting of: (a) providing the Enforcer with  
28 documentation sufficient to determine the certification status of Covered Products sold for the

1 two (2) years prior to the date of the Notice of Violation; and (b) pay the Enforcer \$5,000 as  
2 reimbursement of fees, costs, and expenses involved in investigating and producing the Notice of  
3 Violation and reviewing and monitoring compliance by such Settling Defendant in the future.

4 5.2.3.2 For Notices of Violation served on a particular Settling  
5 Defendant after the first uncontested Notice of Violation, within ninety (90) days after serving its  
6 response to the Notice of Violation, the Settling Defendant shall either:

7 a withdraw the Covered Product from sale in California and  
8 direct customers to withdraw the Covered Product from sale in California; or

9 b provide a clear and reasonable warning pursuant to Section  
10 4.3.2 for Covered Products sold by the Settling Defendant in California and instruct any  
11 customers to provide such warning.

12 No later than fourteen (14) days after serving its response to the Notice of Violation, the Settling  
13 Defendant shall pay the Enforcer \$10,000 as reimbursement of fees, costs, and expenses involved  
14 in investigating and producing the Notice of Violation and reviewing and monitoring compliance  
15 by such Settling Defendant in the future.

16 5.3 If any dispute arises relating to the sufficiency of any information provided by an  
17 Enforcer or a Settling Defendant pursuant to Section 5.2, or if the Settling Defendant elects to  
18 contest a Notice of Violation, the Parties shall meet and confer as required by Section 5.1 before  
19 filing any motion, application, or request for an order with the court. A Settling Defendant may  
20 at any time during the meet and confer process and prior to the Enforcer filing any motion,  
21 application, or request for an order with the court, notify the Enforcer that the Settling Defendant  
22 no longer contests the Notice and that the Settling Defendant elects to proceed pursuant to Section  
23 5.2.3.

## 24 **6. PAYMENTS**

25 6.1 **Payments by Settling Defendants.** Settling Defendants previously paid monetary  
26 amounts under the Amended Consent Judgment entered June 7, 2022. In addition, on or before  
27 ten (10) business days after notice of the entry of this Consent Judgment and receipt of Form W-9  
28

1 for all payees, G-III Apparel shall pay the total sum of \$75,000 as a settlement payment as further  
2 set forth in this Section.

3           **6.2 Allocation of Payments.** The total settlement amount shall be paid in five (5)  
4 separate checks in the amounts specified below and delivered as set forth below. Any failure by  
5 G-III Apparel to comply with the payment terms herein shall be subject to a stipulated late fee to  
6 be paid by G-III Apparel in the amount of \$100 for each day the full payment is not received after  
7 the applicable payment due date set forth in Section 6.1. The late fees required under this Section  
8 shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding  
9 brought pursuant to Section 5 of this Consent Judgment. The funds paid by G-III Apparel shall  
10 be allocated as set forth below between the following categories and made payable as follows:

11           **6.2.1** G-III Apparel shall pay \$9,740 as a civil penalty pursuant to Health &  
12 Safety Code §25249.7(b). The civil penalty payment shall be apportioned in accordance with  
13 Health & Safety Code §25249.12 (*i.e.*, 25% to CEH and 75% to the State of California's Office of  
14 Environmental Health Hazard Assessment ("OEHHA")). Accordingly, G-III Apparel shall pay  
15 the OEHHA portion of the civil penalty payment for \$7,305 by check made payable to OEHHA  
16 and associated with taxpayer identification number 68-0284486. This payment shall be delivered  
17 as follows:

18           For United States Postal Service Delivery:  
19           Attn: Mike Gyurics  
20           Fiscal Operations Branch Chief  
21           Office of Environmental Health Hazard Assessment  
22           P.O. Box 4010, MS #19B  
23           Sacramento, CA 95812-4010

24           For Non-United States Postal Service Delivery:  
25           Attn: Mike Gyurics  
26           Fiscal Operations Branch Chief  
27           Office of Environmental Health Hazard Assessment  
28           1001 I Street, MS #19B  
              Sacramento, CA 95814

**6.2.2** G-III Apparel shall pay the CEH portion of the civil penalty payment for  
\$2,435 by check made payable to the Center for Environmental Health and associated with

1 taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law  
2 Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

3           6.2.3 G-III Apparel shall pay \$7,300 as an Additional Settlement Payment  
4 (“ASP”) to CEH pursuant to Health & Safety Code §25249.7(b), and California Code of  
5 Regulations, Title 11, §3204. CEH will use these funds to support CEH programs and activities  
6 that seek to educate the public about toxic chemicals, including hormone disruptors such as CrVI,  
7 work with industries interested in moving toward safer alternatives, advocate with government,  
8 businesses, and communities for business practices that are safe for human health and the  
9 environment, and thereby reduce the public health impacts and risks of exposure to CrVI and  
10 other toxic chemicals in consumer products sold in California. CEH shall obtain and maintain  
11 adequate records to document that ASPs are spent on these activities and CEH agrees to provide  
12 such documentation to the Attorney General within thirty (30) days of any request from the  
13 Attorney General. The payments pursuant to this Section shall be made payable to the Center for  
14 Environmental Health and associated with taxpayer identification number 94-3251981. These  
15 payments shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco,  
16 CA 94117.

17           6.2.4 G-III Apparel shall pay \$57,960 as a reimbursement of a portion of CEH’s  
18 reasonable attorneys’ fees and costs (including but not limited to expert and investigative costs).  
19 The attorneys’ fees and cost reimbursement shall be made in two separate checks as follows: (a)  
20 \$47,440 payable to the Lexington Law Group, LLP and associated with taxpayer identification  
21 number 88-4399775; and (b) \$10,520 payable to the Center for Environmental Health and  
22 associated with taxpayer identification number 94-3251981. Both of these payments shall be  
23 delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

24           6.2.5 To summarize, G-III Apparel shall deliver checks made out to the payees  
25 and in the amounts set forth below:

26

27 <b>Payee</b>	<b>Type</b>	<b>Amount</b>	<b>Deliver To</b>
28           OEHHA	Penalty	\$7,305	OEHHA per §6.2.1

Payee	Type	Amount	Deliver To
Center for Environmental Health	Penalty	\$2,435	LLG
Center for Environmental Health	ASP	\$7,300	LLG
Lexington Law Group, LLP	Fees and Costs	\$47,440	LLG
Center for Environmental Health	Fees and Costs	\$10,520	LLG

7. **MODIFICATION OF CONSENT JUDGMENT AND TERMINATION OF INJUNCTIVE RELIEF**

7.1 **Modification.** This Consent Judgment may be modified from time to time by express written agreement of the Parties to which any such modification would apply, with the approval of the Court, or by an order of this Court upon motion and in accordance with law.

7.2 **Force Majeure.** The inability of a Settling Defendant to comply with any deadline set forth in this Consent Judgment due to an act of terrorism, fire, earthquake, civil disorders, war, or act of God that is beyond the reasonable control of such Settling Defendant shall be grounds to move for modification of the deadlines set forth in this Consent Judgment.

7.3 **Most Favored Nations Provision.** If, after the Effective Date, a court enters judgment in the Action or another Proposition 65 enforcement action brought by CEH over exposure to CrVI in Covered Products that imposes different injunctive relief from that set forth in this Consent Judgment, a Settling Defendant may seek to modify Section 4 of this Consent Judgment to conform with the injunctive relief provided in such later judgment.

7.4 **Termination of Injunctive Relief.**

7.4.1 If, after the Effective Date, a court enters judgment in the Action or another Proposition 65 enforcement action brought by CEH over exposure to CrVI in leather gloves or footwear that denies a request for injunctive relief on the grounds that (a) CEH has not shown an exposure to CrVI from Chrome-Tanned Leather, or (b) the defendant has demonstrated that any exposure to CrVI from Chrome-Tanned Leather is exempt from the Proposition 65 warning requirement under Health & Safety Code §25249.10(c), a Settling Defendant may seek to terminate the injunctive relief in Section 4 of this Consent Judgment as to that Settling Defendant.

1           7.4.2 Commencing on the fifth (5th) anniversary of the Effective Date and upon  
2 the provision of thirty (30) days advanced written notice to CEH and the Court, a Settling  
3 Defendant may terminate the injunctive relief in Section 4 of this Consent Judgment as to that  
4 Settling Defendant. Upon any such termination, the provisions of Section 8.3 shall no longer  
5 apply to such Settling Defendant.

6           7.4.3 **Notice; Meet and Confer.** Any Party seeking to modify this Consent  
7 Judgment or terminate it pursuant to Section 7.4.1 shall attempt in good faith to meet and confer  
8 with all affected Parties prior to filing a motion to modify the Consent Judgment.

9 **8. CLAIMS COVERED AND RELEASE**

10           8.1 The Parties enter into this Consent Judgment as a full and final settlement of all  
11 claims arising under Proposition 65 relating to alleged exposure to CrVI from footwear and  
12 gloves made with Chrome-Tanned Leather components (as to G-III Apparel) and from gloves  
13 made with Chrome-Tanned Leather components (as to AM Retail) (“Released Products”), and as  
14 to all claims pursuant to Health and Safety Code §25249.7(d) that were raised or could have been  
15 raised in the CEH 60-Day Notices or Complaint, arising from the failure to warn under  
16 Proposition 65 regarding the presence of CrVI in such Released Products. This Consent  
17 Judgment is a full, final, and binding resolution between CEH on behalf of itself and the public  
18 interest and such Settling Defendant and its parents, subsidiaries, affiliated entities that are under  
19 common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and  
20 attorneys (“Defendant Releasees”), and all entities to which such Settling Defendant directly or  
21 indirectly distributes or sells Released Products, including but not limited to its distributors,  
22 wholesalers, customers, retailers, franchisees, licensors, and licensees (“Downstream Defendant  
23 Releasees”), of any violation of Proposition 65 based on failure to warn about alleged exposure to  
24 CrVI contained in Released Products that were manufactured, distributed, sold, or offered for sale  
25 by a Settling Defendant prior to the Final Compliance Date, except as to any failure to provide  
26 interim warnings required under Section 3.1 of the Amended Consent Judgment for gloves  
27 Covered Products distributed, shipped, or sold by a Settling Defendant between June 7, 2022 and  
28 the Effective Date.



1           8.2     CEH, for itself and its agents, successors, and assigns, releases, waives, and  
2 forever discharges any and all claims against such Settling Defendant, its Defendant Releasees,  
3 and its Downstream Defendant Releasees arising from any violation of Proposition 65 or any  
4 other statutory or common law claims that have been or could have been asserted by CEH  
5 regarding the failure to warn about exposure to CrVI arising in connection with Released  
6 Products manufactured, distributed, sold, or offered for sale by such Settling Defendant prior to  
7 the Final Compliance Date.

8           8.3     Compliance with the terms of this Consent Judgment by such Settling Defendant  
9 shall constitute compliance with Proposition 65 by such Settling Defendant, its Defendant  
10 Releasees, and its Downstream Defendant Releasees with respect to any alleged failure to warn  
11 about CrVI in Released Products manufactured, distributed, sold, or offered for sale by such  
12 Settling Defendant after the Effective Date, except as to any retailer who fails to provide warning  
13 provided to said retailer pursuant to this Consent Judgment in a manner consistent with the  
14 requirements of this Consent Judgment.

15     **9.     PROVISION OF NOTICE**

16           9.1     When CEH is entitled to receive any notice under this Consent Judgment, the  
17 notice shall be sent by first class and electronic mail to:

18                     Joseph Mann  
19                     Lexington Law Group, LLP  
20                     503 Divisadero Street  
21                     San Francisco, CA 94117  
22                     [jmann@lexlawgroup.com](mailto:jmann@lexlawgroup.com)

23           9.2     When a Settling Defendant is entitled to receive any notice under this Consent  
24 Judgment, the notice shall be sent by first class and electronic mail to:

25                     Jeff Goldfarb  
26                     G-III Apparel Group, Ltd.  
27                     512 7th Avenue  
28                     New York, NY 10018  
                      [jeffg@g-iii.com](mailto:jeffg@g-iii.com)

                      Randy Roland  
                      Senior Vice President / CFO

1 AM Retail Group, Inc.  
2 7401 Boone Ave N  
3 Brooklyn Park, MN 55428  
4 [Randy.Roland@AMRetailGroup.com](mailto:Randy.Roland@AMRetailGroup.com)

5 With a copy to:

6 Jeffrey Margulies  
7 Norton Rose Fulbright US LLP  
8 555 South Flower Street  
9 Forty-First Floor  
10 Los Angeles, California 90071  
11 [Jeff.margulies@nortonrosefulbright.com](mailto:Jeff.margulies@nortonrosefulbright.com)

12 9.3 Any Party may modify the person and address to whom the notice is to be sent by  
13 sending the other Party notice by first class or electronic mail.

#### 14 **10. COURT APPROVAL**

15 10.1 This Consent Judgment shall become effective when approved by the Court. If  
16 this Consent Judgment is not entered by the Court, it shall be of no further force or effect and  
17 shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

#### 18 **11. GOVERNING LAW AND CONSTRUCTION**

19 11.1 The terms of this Consent Judgment shall be governed by the laws of the State of  
20 California.

#### 21 **12. ATTORNEYS' FEES**

22 12.1 Should CEH prevail on any motion, application for an order to show cause, or  
23 other proceeding related to this Consent Judgment, CEH shall be entitled to its reasonable  
24 attorneys' fees and costs incurred as a result of such motion or application. Should Settling  
25 Defendant prevail on any motion, application for an order to show cause, or other proceeding  
26 related to this Consent Judgment, Settling Defendant may be awarded its reasonable attorneys'  
27 fees and costs as a result of such motion or application upon a finding by the Court that CEH's  
28 prosecution of the motion or application lacked substantial justification.

12.2 Nothing in this Section 12 shall preclude a Party from seeking an award of  
sanctions pursuant to law.

1 **13. ENTIRE AGREEMENT**

2 13.1 This Consent Judgment contains the sole and entire agreement and understanding  
3 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,  
4 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein  
5 and therein. There are no warranties, representations, or other agreements between the Parties  
6 except as expressly set forth herein. No representations, oral or otherwise, express or implied,  
7 other than those specifically referred to in this Consent Judgment have been made by any Party  
8 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,  
9 shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically  
10 contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the  
11 Parties hereto only to the extent that they are expressly incorporated herein. No waiver of any of  
12 the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the  
13 other provisions hereof whether or not similar, nor shall such waiver constitute a continuing  
14 waiver.

15 **14. RETENTION OF JURISDICTION**

16 14.1 This Court shall retain jurisdiction of this matter to implement or modify the  
17 Consent Judgment.

18 **15. SUCCESSORS AND ASSIGNS**

19 15.1 This Consent Judgment shall apply to and be binding upon CEH and each Settling  
20 Defendant, and their respective divisions, subdivisions, and subsidiaries, and the successors or  
21 assigns of any of them.

22 **16. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

23 16.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized  
24 by the Party he or she represents to stipulate to this Consent Judgment and to enter into and  
25 execute the Consent Judgment on behalf of the Party represented and to legally bind that Party.  
26  
27  
28

1 **17. NO EFFECT ON OTHER SETTLEMENTS**

2 17.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim  
3 against an entity that is not a Settling Defendant on terms that are different from those contained  
4 in this Consent Judgment.

5 **18. EXECUTION IN COUNTERPARTS**

6 18.1 The stipulations to this Consent Judgment may be executed in counterparts and by  
7 means of portable document format (pdf), which taken together shall be deemed to constitute one  
8 document.

9  
10 **IT IS SO ORDERED:**

11  
12 Dated: \_\_\_\_\_ Judge of the Superior Court of California

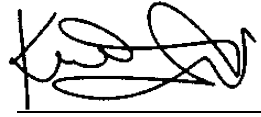
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**IT IS SO STIPULATED:**

Dated: November 11, 2024

**CENTER FOR ENVIRONMENTAL  
HEALTH**



\_\_\_\_\_  
Signature

Kizzy Charles-Guzman  
Printed Name

CEO  
Title

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: December 12, 2024

**G-III APPAREL GROUP, LTD.**



Signature

Jeffrey Goldfarb

Printed Name

Executive Vice President

Title

Dated: December 12, 2024

**AM RETAIL GROUP, INC.**



Signature

Jeffrey Goldfarb

Printed Name

Executive Vice President

Title

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT A**  
Tannery Certification

**EXHIBIT A  
TANNERY CERTIFICATION**

Tannery Name: \_\_\_\_\_

Address: \_\_\_\_\_

I certify as follows:

All chrome-tanned leather produced by the tannery after the date of this certification will be tanned consistent with the Reformulation Protocol attached as Exhibit B to the Consent Judgment in *Center for Environmental Health v. Bali Leathers, Inc., et al.*, Lead Case No. RG19029736 (consolidated with *Center for Environmental Health v. Tommy Bahama Group, Inc., et al.*, Case No. RG 19-034870), for purposes of establishing good manufacturing practices and measures for chrome-tanned or chrome-retanned leather in order to eliminate or minimize the presence and potential formation of hexavalent chromium (CrVI) in such leather intended for footwear and glove products sold in California. Specifically, the tannery will comply with the Reformulation Protocol to eliminate or minimize the formation of hexavalent chromium in chrome-tanned or chrome-retanned leather and shall provide transport and storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather relevant to CrVI formation.

The tannery will retain records demonstrating compliance with the Reformulation Protocol for a period of at least five years and provide such records on written request by any customer.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email address: \_\_\_\_\_

Date: \_\_\_\_\_



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT B**  
Reformulation Protocols

**LEATHER TANNING/FINISHING PROTOCOL  
FOR COMPLIANCE WITH PROPOSITION 65 REQUIREMENTS TO  
MINIMIZE POTENTIAL FORMATION OF HEXAVALENT CHROMIUM**

***Background:*** For purposes of compliance with Proposition 65, the following Protocol is intended to establish good manufacturing practices and measures for chrome-tanned or chrome-retanned leather in order to eliminate or minimize the presence and potential formation of hexavalent chromium (CrVI) in such leather intended for footwear and glove products sold in California. Settling Defendants shall be required to comply with the terms of the Protocol prior to manufacturing or processing leather footwear/gloves for sale in California or to require compliance with the Protocol by third party manufacturers and suppliers of leather intended for such products.

Certification with overall Gold rating under the Leather Working Group (LWG) Audit Protocol shall be considered in assessing compliance with this Protocol. For companies attaining a lower overall LWG medal rating, compliance assessment also shall consider attainment of Gold rating in the sections of the LWG Protocol relating to Restricted Substances Lists and Chemical Management (currently Section 9 “Restricted Substances, Compliance, Chromium VI Management” and Section 16 “Chemical Management” of Issue 7.2.2 of the LWG Protocol).

**Leather Tanning/Finishing Protocol**

The following protocol for chrome-tanners/retanners identifies good manufacturing practices recognized by the leather tanning industry to eliminate or minimize the formation of hexavalent chromium in chrome-tanned or chrome re-tanned leather. Tannery shall provide transport and storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather relevant to CrVI formation.

Upon written agreement of the Parties, this Protocol may be re-evaluated and revised appropriately to reflect advances in technology and production processes. Unless otherwise noted, references to test methods, detection limits, and other standards are to the version in place as of adoption of this Protocol.

***1. Process Stage: Beamhouse***

- 1.1. ***Degreasing:*** Thorough degreasing processes must be employed to reduce the presence of natural fats that can diminish leather quality and potentially contribute to CrVI formation.
  - 1.1.1. Perform thorough and consistent degreasing during beamhouse operations involving sheepskin, pigskin, and other high-fat content hides (*i.e.*, fat content over 3% dry weight basis). These materials can be very greasy and may require a specific, separate degreasing operation to reduce the fat content.
  - 1.1.2. Processing of bovine hides should include the use of surfactants to ensure fat content less than 3% dry weight basis.
  - 1.1.3. Use of halogenated organic degreasing agents is prohibited.
  - 1.1.4. Use only aqueous degreasing agents.

- 1.1.5. Do not use products with oxidative potential.
- 1.1.6. If bleaching is required (under exceptional circumstances to reduce natural skin pigmentation when producing very pale leather), products with oxidative potential may be necessary. If used, the process should incorporate iodine-starch paper for each batch of leather being processed to check oxidative potential and, if necessary, use reducing agent prior to addition of chromium in tanning stage.
- 1.1.7. Wash limed hides/pelts properly after liming and decalcifying.

## 2. **Process Stage: Tanning/Wet Blue**

- 2.1. **Tanning Agents**: Chromium-containing tanning agents must not contain intentionally added or detectable levels<sup>1</sup> of CrVI.
  - 2.1.1. Obtain from chemical supplier test reports for each supplier production batch conducted pursuant to ISO 19071 for CrVI in chromium tanning agents demonstrating detectable levels of CrVI no higher than the levels specified in the most current version of the ZDHC Manufacturing Restricted Substances List (“MRSL”)<sup>2</sup> (as analyzed by the test method specified therein).
  - 2.1.2. Maintain inventory control to ensure quality of tanning agents at time of use. Use of tanning/retanning agents past their “use by” date is prohibited.
  - 2.1.3. Tanning process vessels and associated make-up and delivery systems to be thoroughly cleaned and maintained using best practices.
  - 2.1.4. Water used during the tanning process and to clean apparatus, tubs, tools, and other equipment must have undetectable levels of CrVI.
    - 2.1.4.1. Recycled water must be tested regularly (at least annually) and verified as having undetectable levels of CrVI; water received directly from municipal or permitted wells does not require repeat verification of CrVI levels but should be analyzed to confirm absence of CrVI.
  - 2.1.5. Storage conditions must be maintained in accordance with chemical supplier instructions. Storage of chemicals outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm undetectable levels of CrVI no later than one month prior to use. ISO 19071 or other CrVI test methods appropriate to the chemical shall be employed.
  - 2.1.6. Final wash must be employed to remove unfixed chrome to the extent feasible.
  - 2.1.7. Use of chromium tanning agents recycled by the tannery is prohibited unless tested regularly (at least annually) to confirm undetectable CrVI via ISO 19071.
- 2.2. **Use of Oxidizing Agents**: The use of oxidizing agents such as sodium chlorite (or hypochlorite) in the pickle, or of potassium permanganate in pre-tanning wet-end operations, increases the risk of the formation of CrVI.

<sup>1</sup> The terms “detectable/undetectable levels” of CrVI shall be defined by the relevant test method appropriate for the chemical.

<sup>2</sup> The ZDHC MRSL is the minimum standard for the CrVI standard in this Protocol. Reference to other CrVI limits from other MRSLs may be used if they meet or exceed the stringency of the ZDHC standard. The current version of the ZDHC MRSL is v.3.1 and can be found at: <https://mrsl-30.roadmaptozero.com/mrslpdf?for=Consultancy>. All references to the ZDHC MRSL in this Protocol refer to the then most current version of the ZDHC MRSL. This note applies to all references to ZDHC in this Protocol.

- 2.2.1. Oxidizing agents may only be used if they can be shown to be absolutely necessary (*e.g.*, for white or pastel shades) and if the residuals are reduced prior to the addition of chrome tanning agents. Starch-iodide test papers (must show no color development) or Oxidation-Reduction Potential (“ORP”) measurement (must show a negative reading indicating a reducing agent) shall be used to confirm lack of oxidative potential.
- 2.3. Measure and monitor levels of residual natural fats in wet blue leather. Bovine leather shall contain no more than 3% residual fat as measured below. Pigskin leather shall contain no more than 7% residual fat, as measured below. Other leather (*e.g.*, sheep, goat, *etc.*) shall contain no more than 4% fat, as measured below.
  - 2.3.1. Monitoring must indicate an average grease content of less than 3% (bovine) or 4% (other) by weekly analysis or per 30 batches of production, whichever is the more frequent. For pigskin, monitoring must indicate an average grease content of less than 7% by monthly analysis or per 30 batches of production, whichever is the more frequent. (A “batch” is a production drum load or a group of hides/skins that are processed together as a unit.)
  - 2.3.2. Alternatively, the wet blue leather must have a maximum of 0.5% of Free Fatty Acids (using test method ISO 4048:2018)
- 2.4. If wet blue is used as a starting material: Wet blue bought from other suppliers must be shown to be free of CrVI (using the ISO 17075-2 test method after ageing procedure) and to have fat content less than 3% (bovine), 7% (pigskin), or 4% (other). For pigskin with fat content over 4%, additional degreasing shall be performed before or during the retan stage to reduce fat content below 4%.

### 3. **Process Stage: Retanning/Wet End/Finishing**

- 3.1. **Retanning Agents**: Optimization of chrome fixation is critical to reduce extractable chrome levels and the potential for CrVI formation.
  - 3.1.1. Use of oxidizing agents (such as ammonia-based chemicals/bleach) after chrome tanning is prohibited.
  - 3.1.2. Confirm selection of appropriate retanning agents for binding behavior and/or use of complexing agents. Maintain documentation.
  - 3.1.3. Chromium-containing retanning agents must not contain intentionally added or detectable levels of CrVI higher than the levels specified in the ZDHC MRSL.
  - 3.1.4. Obtain from chemical supplier test reports conducted pursuant to ISO 19071 demonstrating undetectable levels of CrVI.
  - 3.1.5. Maintain inventory control to ensure quality of retanning agents at time of use. Use of retanning agents past their “use by” date is prohibited.
- 3.2. Retanning process vessels and associated make-up and delivery systems to be thoroughly cleaned and maintained using best practices.
- 3.3. Water used during retanning process and to clean apparatus, tubs, tools, and other equipment must have undetectable levels of CrVI. Recycled water must be tested

regularly (at least annually) and verified as having undetectable levels of CrVI; water received directly from municipal or permitted wells does not require repeat verification of CrVI levels but should be analyzed to confirm absence of CrVI.

- 3.4. Storage conditions must be maintained in accordance with chemical supplier instructions. Storage of chemicals outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm undetectable levels of CrVI no later than one month prior to use. ISO 19071 or other CrVI test methods appropriate to the chemical shall be employed.
- 3.5. Final wash must be employed to remove unfixed chrome to the extent feasible.
- 3.6. Use of chromium retanning agents recycled by the tannery is prohibited unless tested regularly (at least annually) to confirm undetectable CrVI via ISO 19071.
- 3.7. Use scavenging agents, such as 1%-3% vegetable tanning extracts, for antioxidant protection, or use commercially-available synthetic antioxidants specifically formulated for the purpose and according to manufacturer specifications. (Antioxidants may be introduced directly or as part of the retanning agent formulation.)
  - 3.7.1. Add antioxidants during retanning process to enable longer-lasting antioxidant efficacy. Use of only spray-on antioxidants is prohibited.
- 3.8. *Dyes and Pigments:*
  - 3.8.1. Dye and pigments must not contain intentionally added or detectable levels of CrVI.
  - 3.8.2. Obtain from chemical supplier test reports conducted pursuant to ISO or EPA test method for CrVI demonstrating undetectable levels of CrVI.
  - 3.8.3. Obtain from chemical supplier certification that dyes or pigments lack oxidative potential (through ORP measurement showing a negative reading indicating a reducing agent or other appropriate method).
  - 3.8.4. If chromium-containing dyes or pigments are used, final product must be tested annually (or sooner if there is a change in formula) to confirm levels of CrVI below detection limit. Test using ISO 17075-2.
  - 3.8.5. Use of dyes and pigments must be compliant with the ZDHC MRSL.
- 3.9. *Bleaches:*
  - 3.9.1. Use of aggressive bleaches, peroxides, and potassium permanganate (KMnO<sub>4</sub>) as bleaching agents after tanning is prohibited.
- 3.10. *Fatliquors:* Fatliquors must be suitably formulated with an appropriate antioxidant to protect against CrVI formation. Fish and vegetable oils in particular must be formulated with an appropriate antioxidant to protect against CrVI formation. Do not use fatliquors without having first obtained from the supplier a statement confirming that fatliquors are formulated with an appropriate antioxidant.

- 3.11. Inventory control must be maintained to ensure quality of fatliquors at time of use and that all fatliquors are used prior to “use by” dates.
- 3.12. Chemical storage conditions must be maintained in accordance with chemical supplier instructions to avoid fatliquor breakdown. Storage in conditions outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm the absence of oxidative potential no later than one month prior to use. Starch-iodide test papers (must show no color development) or ORP measurement (must show a negative reading indicating a reducing agent) shall be used to confirm lack of oxidative potential.
4. **Finishing Oils/Waxes:** Oils and wax finishes containing a high level of unsaturated fats are more likely associated with CrVI formation.
  - 4.1. Obtain from supplier a statement confirming that finishing oils and waxes are suitable for use and do not contribute to CrVI formation (such as by indicating compliance with ZDHC MRSL specifications).
5. **pH Levels:** Careful monitoring of pH through the entire set of tanning, retanning, fatliquoring, and dyeing process stages is critical to the avoidance of CrVI in the finished leather product. The potential for formation of CrVI increases at higher pH. While the neutralization process during wet end retanning will raise pH, this will be reversed during subsequent acidification and fixation.
  - 5.1. The pH must be maintained below 4.0 in the final bath (fixation) of the re-tanning process to ensure entire cross-section of leather is at acidic pH. Maintain documentation of final pH.
  - 5.2. Acidification at the end of wet end processing should be done in a steady manner with 2-3 additions of acid.
  - 5.3. Allow sufficient time to ensure complete acid penetration, depending on thickness and other processing conditions.
  - 5.4. The pH through the entire leather cross-section must be consistently below 4.5 in finished leather. Document final pH of leather determined during research and development. Conduct random audit sampling to ensure pH of final leather product is below 4.5 and maintain documentation.
6. **Final Wash:** Final wash must be employed to remove unfixed chrome. The pH of wash waters may need to be adjusted (lowered) to avoid localized, surface raising of pH.
  - 6.1. Drying: Solar irradiation is prohibited during drying of the leather.

7. **Mold:**

- 7.1. Use of ammonia to prevent mold formation is prohibited. If a fungicide is to be used to prevent mold formation a declaration should be obtained from the manufacturer to confirm that its use will not contribute to the potential formation of CrVI.

8. **Process Stage: Storage and Transportation**

- 8.1. Storage and transportation conditions must be monitored to maintain temperature, humidity, and light exposure to reduce the possibility of CrVI formation. Tannery shall provide storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather.

9. **Good Manufacturing and Quality Control Standards**

- 9.1. The following quality assurance procedures must be implemented in order to ensure the prevention of CrVI formation throughout the entire production process:
- 9.1.1. Ensure cleanliness and good organization within the entire production facility.
  - 9.1.2. Storage conditions must be regularly checked to ensure that chemical degradation does not occur.
  - 9.1.3. Inventory control (received date, use by date, supplier, batch number, stores location, *etc.*) must be undertaken to ensure that chemicals are not used past their use-by date.
  - 9.1.4. Train employees in the safe use of chemicals and the correct make-up and application procedures for their use in each stage of the process. Educate workers about the potential for formation of CrVI, its potential for harm in the final product, and their role in ensuring process recipes are followed in order to ensure manufacture of a safe product. Ensure that all safety data sheets are current and available for each chemical, and that employees have been trained to properly handle and store the chemicals. Maintain written chemical management policy.
  - 9.1.5. All process steps must be documented, including the chemicals used in order to ensure transparency in the manufacturing or processing procedure.
  - 9.1.6. Ensure that the products which you use to degrease, tan, dye, or retan the leather do not contain intentionally added or detectable levels of CrVI higher than the levels specified in the ZDHC MRSL and have low oxidation potential. Obtain from chemical supplier a statement confirming that chemicals are suitable for use and do not contribute to CrVI formation or have oxidative potential. If stored outside of supplier recommendations or past “use by” dates, use iodine-starch paper or ORP measurement to check oxidative potential and if necessary use reducing agent prior to use.
  - 9.1.7. Use of chemicals which contain intentionally added CrVI or which the manufacturer cannot guarantee as having detectable levels of CrVI no higher than the levels specified in the ZDHC MRSL is prohibited.
  - 9.1.8. Maintain detailed internal quality control records.
  - 9.1.9. Testing: Annually test representative samples of finished leather for CrVI. Refer to AFIRM Restricted Substances List (available at <https://afirm-group.com/wp->

content/uploads/2023/04/2023\_AFIRM\_RSL\_2023\_0419a.pdf) for recommended testing method.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT C**  
Form of Notice to Suppliers

**EXHIBIT C  
SUPPLIER NOTIFICATION  
[FOR SETTLING DEFENDANTS THAT PURCHASE LEATHER FROM TANNERIES]:**

Dear [Supplier]:

As part of a settlement of a Proposition 65 enforcement action regarding hexavalent chromium in leather footwear/gloves, [Settling Defendant] is writing to notify you of certain requirements applicable to chrome-tanned leather used to manufacture leather components of footwear and gloves that come into direct contact with the skin of the average user when the footwear or gloves are worn.

Pursuant to the settlement, chrome-tanned leather used to manufacture direct skin contact components must be produced pursuant to the settlement Reformulation Protocol at a tannery that certifies that it will comply with the Reformulation Protocol, which is designed to minimize the presence and potential formation of hexavalent chromium in chrome-tanned leather.

A tannery that has achieved certification with overall Gold rating under the Leather Working Group (LWG) Audit Protocol (P7.2.2 or any subsequent higher version that is in force at the time of certification), or has attained Gold medal rating in the section "Restricted Substances, Compliance & Chromium VI Management," shall be deemed to be certified compliant with the Reformulation Protocol and need only provide a copy of the LWG certification in order to satisfy the requirements of the settlement.

We are required to obtain a certification from each tannery that directly supplies [Settling Defendant] with chrome-tanned leather for use to manufacture direct skin contact components at least once every five years. Please execute the attached certification and return it to us within 30 days, so that we can ensure compliance with the terms of the settlement. ***[For initial notifications before the final compliance date]:*** The settlement allows for a phase-in of leather from certified tanneries. If you do not have LWG Gold certification and cannot currently certify compliance with the Reformulation Protocol, please advise us immediately and provide a timeline for when you expect to obtain certification.

We are also required by the settlement to request that you retain certifications and records demonstrating compliance with the Reformulation Protocol for at least five years, and to produce them to us upon our written request.

**[FOR SETTLING DEFENDANTS THAT PURCHASE FINISHED PRODUCTS]:**

Dear [Supplier]:

As part of a settlement of a Proposition 65 enforcement action regarding hexavalent chromium in leather footwear/gloves, [Settling Defendant] is writing to notify you of certain requirements applicable to chrome-tanned leather used to manufacture leather components of footwear and gloves that come into direct contact with the skin of the average user when the footwear or gloves are worn.

Pursuant to the settlement, chrome-tanned leather [used to manufacture direct skin contact components] must be produced pursuant to the settlement Reformulation Protocol at a tannery that certifies that it will comply with the Reformulation Protocol, which is designed to minimize the presence and potential formation of hexavalent chromium in chrome-tanned leather.

A tannery that has achieved certification with overall Gold rating under the Leather Working Group (LWG) Audit Protocol (P7.2.2 or any subsequent higher version that is in force at the time of certification) or has attained Gold medal rating in the section "Restricted Substances, Compliance & Chromium VI Management" shall be deemed to be certified compliant with the Reformulation Protocol and need only provide a copy of the LWG certification in order to satisfy the requirements of the settlement.

We are requiring you to obtain a certification from each tannery that supplies you with chrome-tanned leather for use to manufacture direct skin contact components at least once every five years. Please have each tannery execute the attached certification and return it to you within 30 days, so that we can ensure compliance with the terms of the settlement. ***[For initial notifications before the final compliance date]***: The settlement allows for a phase-in of leather from certified tanneries. If you cannot currently obtain certifications with compliance with the Reformulation Protocol from all tanneries that supply you with chrome-tanned leather, please advise us immediately and provide a timeline for when you expect to obtain certifications from all tanneries.

We are also required by the settlement to request that you retain certifications and records demonstrating your tanneries' compliance with the Reformulation Protocol for at least five years, and to produce them to us upon our written request.