



## **California Transparency in Supply Chains Act**

Newly Weds Foods, Inc. (“NWF”) is committed to the goal of operating its facilities in a legal, ethical, and morally-sound manner. Accordingly, NWF supports the underlying purpose of the California Transparency in Supply Chains Act (Cal. Civ. Code § 1714.43). As with its entire business, NWF’s corporate responsibilities represent a process of continual improvement, which includes the following:

### **Verification of Product Supply Chains**

To ensure that NWF’s suppliers operate their businesses in a responsible and legal manner, NWF’s Quality Assurance (QA) and Purchasing Departments review and monitor all direct suppliers through an ongoing supplier approval process (the “Process”). This Process requires evaluation of the suppliers’ manufacturing facilities, sourcing practices, and other business operations to confirm product safety and verify that all legal risks in the supply chain are addressed, including those associated with human trafficking and slavery concerns. This verification is conducted internally by NWF, with incorporation of third-party audits.

### **Supplier Audits**

To complete the initial approval Process, NWF requires a third-party audit from all direct suppliers. Thereafter, NWF’s QA Department conducts on-site audits of suppliers to confirm ongoing compliance with NWF standards. These third-party and NWF audits review food safety and quality practices, as well as social responsibility and legal / regulatory compliance. NWF supplier audits are typically scheduled in advance, however NWF reserves the right to conduct unannounced supplier audits. NWF downgrades the status (e.g. suspend approval for certain facilities) or discontinues the use of any supplier that is found in violation of NWF’s standards or refuses to comply with an audit.

### **Certifications**

To complete the initial approval Process, NWF negotiates a Supplier Qualification Agreement with all direct suppliers, incorporating acceptance of NWF’s Supplier Expectations Manual. These documents collectively outline the legal terms of the supply relationship and stipulate, *inter alia*, that supplier certifies products sold to NWF are in compliance with all applicable laws, including those laws regarding slavery and human trafficking in the country or countries in which supplier is doing business.

### **Internal Accountability Standards**

NWF strives to create an optimal working environment for all its employees. In so doing, NWF is cognizant of safety issues / concerns and applicable human rights, labor, and employment regulations. All NWF employees must agree to a code of conduct regarding business ethics. NWF’s Human Resources Department conducts audits of all NWF facilities to monitor compliance with company policies and applicable laws / regulations. Employees are encouraged and supported to report, in confidence, any suspected wrongdoings. In the course of their work, any NWF employees (or contractor consultants) found in violation of NWF policy or applicable law / regulation, including those regarding slavery and human trafficking, are subject to disciplinary action up to an including termination depending on the nature of the violation.

### **Employee Training**

NWF employees involved with supply chain management, particularly those QA and Purchasing Department personnel involved with supplier audits, receive training in awareness, identification, and prevention of human trafficking risks, slavery risks, and other aspects of supplier social responsibility and legal compliance. This training involves internal instruction from experienced personnel, evaluation of regional and product-based risk trends in the industry, and ongoing practice in the field.