

## CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010

Phifer Incorporated (“Phifer”) has no tolerance for human trafficking and slavery and believes these practices violate the most basic right of a human being. We support the California Transparency in Supply Chains Act of 2010 as follows:

- **Evaluate and verify risks of human trafficking and slavery in vendor supply chains.** Phifer prohibits human trafficking and slavery by our company and by our vendors. Our employees regularly make on-site visits to our major suppliers. If we suspect, or obtain credible evidence of slavery or human trafficking by a vendor, Phifer will take immediate steps to address the situation.
- **Vendor audits.** Phifer has not yet audited all suppliers regarding slavery and human trafficking issues. Where warranted, we will audit our suppliers to ensure that our vendors meet the stipulations of this prohibition and may seek additional verification when necessary. Vendor audits and verifications will not be performed by third parties.
- **Direct Vendor Certification-** Phifer will require direct vendors to certify their compliance with slavery and human trafficking laws in the countries where they operate.
- **In-house policy and procedures.** Phifer maintains an employee handbook which includes a Code of Conduct outlining and prohibiting illegal and unethical behavior. We will be adopting policies to address associates and/or contractors who fail to meet company standards regarding slavery and trafficking.
- **Employee Training.** All Purchasing staff have been trained and instructed to immediately notify Phifer management if they witness or believe a supplier is violation of this Act. Phifer will be updating our existing training program to inform all other associates directly involved with vendor management on how to recognize, detect and report human trafficking and slavery risks within our vendor base.