



## **TRANSPARANCY IN SUPPLY CHAIN ACT DISCLOSURE**

### **INTERNAL STANDARDS**

Sterno Products supports the goals of the California Transparency in Supply Chain Act. Over the past more than 100 years, we have built our company on the conviction that we treat all people with dignity and respect, and that we comply with all laws and regulations. Our global supply chain is an example of this commitment. We take diligent efforts on a continuous basis to monitor and work with our suppliers to do whatever we can to protect and promote human rights anywhere in the world that we conduct business.

Our company does not tolerate child labor, forced labor, any use of force or other forms of intimidation, fraud, deception, abuse of power or other means to control people in order to exploit them. We comply with the employment laws of every country in which we operate. We expect and hold accountable those with whom we do business with to do the same.

We believe that this is not only the right thing to do. We believe that these high standards also serve the best interest of our customers.

To enforce company supply chain standards of prohibiting human trafficking, slavery and other abuse, Sterno Products actively monitors its supply chain for fair labor practices. These enforcement practices include pre-qualification supplier audits onsite at the operating location, annual audits on an ongoing basis to verify continuing compliance with company standards and written agreement by all suppliers to follow company standards with the consequence that the business relationship can be terminated with any violation at a potential cost and liability to the supplier for transitional expenses associated with securing an alternate source of supply. At the discretion of Sterno Products, based on the severity of the condition that constitutes a violation of company standards, immediate corrective actions may be permitted with a supplier committed to remedy the situation. In the event of a supplier implementing corrective actions, the supplier will be considered at higher risk, which requires monitoring at greater regularity than annually, and may require third party inspections or an onsite inspector representing the company full or part time. Any supplier repeating a violation after it has been permitted the opportunity of corrective action will be subject to termination as a business partner immediately.

Company standards of fair labor practices are continually reviewed for enhancement in our ongoing effort to develop best practices and effective procedures. These standards are developed and communicated at the corporate level of Sterno Products with management oversight, under the leadership of the Senior Vice President of Operations for Sterno Products.

### **SUPPLIER CERTIFICATION**

Prior to doing business with Sterno Products, all suppliers are subject to a comprehensive qualification process, which includes onsite inspections. The supplier must also agree in writing to certify its compliance with all laws and regulations, including the California Transparency in Supply Chain Act. This agreement provides reference to specific requirements to comply with applicable laws and regulations including the California Transparency in Supply Chain Act. The agreement also allows Sterno Products unrestricted access to the supplier's facilities, and to all relevant records at all times, whether or not notice is provided in advance. As reinforcement, every purchase order includes a reference to this agreement.

## **VERIFICATION and AUDITING**

In addition to the initial on-site visit of all suppliers during the qualification evaluation process to approve any new supplier, annual audits are conducted at the location which the supplier operates from. This annual audit may be implemented directly by an employee member of the company's supply chain management team or a professional third party agent with the appropriate expertise and trained in the company standards for human rights, trafficking and slavery. Either direct or with the use of a third party, the audit includes physical walkthroughs of the production areas to observe working conditions and employees to identify any red flags as to age, signs of abuse or mistreatment. The auditor also evaluates the general safety hazards present, if any, that pose a serious danger to the health and safety of workers. If necessary, the auditor will interview supplier's employees and review relevant documentation. For higher-risk suppliers or suppliers that have been previously flagged as higher risk through the general supplier auditing process, a more frequent audit schedule is followed, which may also include a part-time or full-time agent representing the company with an on-site presence at the supplier's operating facility to ensure compliance with company standards. Any violation discovered is cause for the immediate termination of the relationship with the supplier.

## **TRAINING**

Our company's commitment to a supply chain free from slavery, human trafficking, abusive and dangerous working conditions is communicated to everyone who is a part of the Sterno Products business community, including employees, contractors, agents and suppliers. All those managing the business, representing or otherwise supporting the company will be held accountable to conduct business in an ethical manner. Direct employees of Sterno Products operate under the company's Code of Conduct as described under the Employee Handbook, and any violation can lead to a disciplinary action and/or discharge from employment.

Employees and supervisors in a supply chain management role, with influence over supply sourcing decisions, supplier reviews, and specifically, the auditing, verification, compliance and certification of the adherence to the California Transparency in Supply Chain Act, are trained on company policies, and the best practices associated with uncovering violations, along with mitigating risks for human trafficking and slavery. The company's training program, as with the overall policy and procedures regarding the enforcement of standards against slavery and human trafficking in the supply chain, is continually developing for enhancement to its effectiveness and results. As such, educational materials are currently being considered for use during employee and supplier training, along with outside consultant-expert given seminars on the subject of monitoring for, preventive and corrective actions related to, human trafficking and slavery in the supply chain.