

Poly-Wood's California Transparency in Supply Chains Act Disclosure

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) took effect in the State of California. As a result, many companies manufacturing or selling products in California will be required to disclose their efforts (if any) to address the issues of human trafficking and slavery, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

Poly-Wood, Inc. ("Poly-Wood") strives to achieve and maintain the highest possible standards of corporate integrity and ethical behavior. Poly-Wood expects that its suppliers will conduct their businesses not only in a lawful manner but also in compliance with the same high standards of integrity and ethics. In order to establish guidelines for such standards, Poly-Wood has established a Code of Supplier Conduct. The Code of Supplier Conduct sets forth and highlights important legal, ethical, behavioral and other requirements for parties who wish to be Poly-Wood suppliers. Specifically, the Code of Supplier Conduct states that suppliers must not support, promote or engage in the practice of slavery or human trafficking, and it requires suppliers to comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Poly-Wood suppliers are further expected to take reasonable and necessary steps to help ensure that their sub-contractors and sub-suppliers conduct business in compliance with the Code of Supplier Conduct. Poly-Wood does not engage in verification of product supply chains to evaluate or address the risks of human trafficking and slavery, audit suppliers to evaluate compliance with Poly-Wood standards for human trafficking and slavery in supply chains, or require suppliers to certify that the materials incorporated into their products comply with laws regarding human trafficking and slavery. In 2012, however, Poly-Wood intends to require its suppliers to begin certifying in the "Poly-Wood Purchase Order Terms and Conditions" that the materials incorporated into the supplier's products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Suppliers are expected to promptly take corrective action to address any deficiencies identified with respect to compliance with Poly-Wood's Code of Supplier Conduct. If a supplier is found to be in violation of the Code of Supplier Conduct, Poly-Wood will take prompt, remedial measures to address the violation. Poly-Wood reserves the right to terminate its relationship with any supplier for failure to comply with this Code of Supplier Conduct. In the Code of Supplier Conduct, Slavery, Human Trafficking and Child Labor are specifically called out as activities for which Poly-Wood has a zero tolerance policy.

Poly-Wood takes the issues of slavery and human trafficking very seriously and will continue doing its part by responsibly managing its supply chains in an effort to eradicate human trafficking and slavery.