

## California Transparency in Supply Chains Act

The California Transparency in Supply Chains Act of 2010, enacted on January 1, 2012, requires manufacturers and retailers to publicize information regarding their efforts to address the issues of slavery and human trafficking. The availability of this information would allow consumers to make more informed choices regarding the products they buy and the companies they choose to support.

Standard Furniture Manufacturing, Co., Inc., (SFMCo.) is dedicated to conducting business in compliance with laws, regulations and widely accepted ethics of fairness and human decency, both nationally and internationally. We seek to use suppliers who share our commitment, having no involvement with slavery or forced labor, human trafficking, or violation of child labor standards.

**Verification of Risks:** SFMCo. evaluates vendors on many business related criteria, as well as to their compliance with matters of law and human ethics. We consult country specific research guides, government regulations, as well as seeking industry guidance to assess our suppliers.

**Supplier Expectations:** SFMCo. suppliers are now required to acknowledge and agree in writing to adhere to our code of ethics as stated in our Supplier Expectations Acknowledgement. Signing this agreement also requires that our supplier expects the same compliance from their suppliers.

**Supplier Audits:** Compliance with our Supplier Expectations Acknowledgement is reinforced through onsite announced and unannounced visits to the majority of our supplier factories, during which SFMCo. employees and associates inspect facilities and observe conditions, workers and practices.

**Accountability:** SFMCo. maintains accountability standards and procedures for employees and suppliers. If we determine that our employees or suppliers are engaged with issues of slavery and human trafficking, employees will be terminated, and our supplier relationships can be severed as we are bound by no contractual agreements.

**Employee Training:** Training of SFMCo. employees responsible for supply chain management is ongoing, and seeks to educate them in recognizing and reporting non-compliance violations of our Supplier Expectations Acknowledgement.