

## **Mercer Foods Disclosure Statement – California Transparency in Supply Chains Act**

Mercer Foods (“Mercer”) supports the objectives of the California Transparency in Supply Chains Act and strives to set a positive example of good human rights and labor practices in all its business activities. Mercer makes the following disclosures about the actions it is taking and planning to combat modern slavery in its supply chain:

### *Verification*

In 2020, Mercer began conducting a risk screening exercise to identify potential risks in its supply chains. This verification process includes evaluation of risk levels for specific geographies and commodities, and relies on various publically available data sources such as the U.S. Department of State’s Trafficking in Persons Report. Any geographies/ commodities flagged as having High or Extreme levels of risk will undergo a more in-depth verification procedure, whereby proof of vendor compliance will be examined and/or third-party site visits may be conducted, if warranted. This two-tiered verification exercise will be conducted every two years since Mercer understands that modern slavery risks can change rapidly in response to various global and location-specific factors.

### *Audits*

Although it does not currently have them in place, Mercer is in the process of establishing policies that give them the right to conduct audits of their suppliers’ facilities when warranted by risk screening results. Mercer will engage third-party specialists to perform such audits where risk screening processes have identified High or Extreme risk levels.

### *Certification*

Mercer’s Supplier Terms and Conditions require suppliers to certify that its products and the products of its subcontractors are produced without the use of child, slave, prisoner, or any other form of forced or involuntary labor, and that it will not engage in abusive or corrupt employment practices.

### *Internal Accountability*

Although it does not currently have a procedure in place, Mercer is in the process of establishing a corrective action procedure to which suppliers must adhere if modern slavery risks are found within their supply chains. If a supplier does not implement corrective actions and resolve risks in a manner that meets Mercer’s expectations for responsible business practices within an assigned timeframe, Mercer will have the right to suspend or terminate the contract.

### *Training*

Although not currently in place, Mercer intends to deliver training to its procurement team on the risks of modern slavery and trafficking in manufacturing supply chains, and on implementation of risk screening, assessment, audit and mitigation practices to safeguard against such risks.