

The California Transparency in Supply Chains Act of 2010 (the “Act”) seeks to eliminate slavery and human trafficking from global supply chains by requiring companies that do business in California to disclose the efforts they take to keep their supply chains free of these human rights violations.

Elmer’s Products, Inc does not and will not tolerate human trafficking or slavery in its supply chain. Elmer’s supports the human rights of its employees and the employees of its suppliers.

Elmer’s is focused on its efforts to not only communicate its intent, but to also implement processes which ensure that this effectively implemented. Thus, the company has adopted the Elmer’s Products, Inc. Social Compliance and Supplier Conduct Program (the “Program”). The Program applies to all suppliers for the Elmer’s®, Xacto®, Craftbond®, and Painters® brands that are located outside the U.S. and Canada, as government and business sensitivity to fair labor standards is high in the U.S. and Canada.

Elmer’s expects its suppliers covered by the Program to adhere to its standards which address the following key labor and human rights issues:

- Prohibition of forced labor – suppliers must never use forced labor or human trafficking in any form, whether prison, slavery, indentured, bonded or otherwise.
- Minimum age requirement – suppliers must not employ any person below the age of 16 or the national minimum age for employment, whichever is older.
- Compensation and minimum wage requirements – suppliers must provide each employee with at least the minimum legal wage in the country or region in which they operate. If the employees participate in voluntary overtime, the wages for these hours must be compensated at legal or contracted rates
- Legally mandated benefits – suppliers must provide each employee, at a minimum, with all legally mandated benefits.
- Maximum work hours – suppliers must comply with legally mandated work hours. In no instance will employees work more than 60 hours in any seven day period and no more than 12 hours in any single day. Workers must have at least one day off in any seven day period. Overtime hours must be voluntary.

- Harassment and discipline – suppliers will ensure workers are not subjected to harassment or abuse in any form, including, but not limited to, physical, sexual, psychological, or verbal abuse. Maintaining a harassment-free environment includes protection from these activities by both superiors and peers.
- Health and safety requirements – suppliers will ensure conditions in all production and residential facilities provide a safe and clean environment for the workforce. All equipment used in production must have appropriate safety features which protect workers from physical injury, including long-term health hazards. Suppliers must provide safety equipment as appropriate (eye protection, ear protection, etc).

In support of what is communicated in the Program, Elmer's also executes the following steps:

Verification. Elmer's uses internal resources to evaluate potential suppliers across a variety of factors, and if Elmer's becomes aware of human trafficking or slavery concerns, Elmer's would not work with the supplier. In addition to human trafficking or slavery concerns, if a potential supplier does not comply with other key areas of the Program, Elmer's would also disqualify the supplier.

Auditing. The Program allows Elmer's to conduct unannounced audits, with either Elmer's personnel or independent third parties, to verify compliance with the company's standards. Elmer's conducts audits that address safety, environmental and quality standards, human rights and labor issues, including human trafficking and slavery. Specific compliance requirements are identified in the Key Requirements Checklist used during the audit process.

Certification. It is Elmer's intent to have all suppliers sign a statement confirming compliance with the Program and validating that the goods and services they provide to the company are manufactured in compliance with those standards, and with all applicable laws and regulations in the jurisdictions in which they are produced.

Internal Accountability Standards. If any employee or supplier fails to comply with any aspect of the Program, Elmer's would take appropriate remedial action.

Training. Those employees responsible for supplier contracts, including Procurement Managers, are familiar with and receive training on the Program, which covers matters relating to human rights and labor, including human trafficking and slavery.