

## **DISCLOSURE STATEMENT**

Since its inception, Brandt Consolidated Inc., as well as its subsidiaries and affiliates (collectively "Brandt") has taken seriously its obligation to provide a safe and healthy work place for its employees, and to comply with all labor and employment laws. Similarly, Brandt actively seeks to do business only with the vendors or suppliers who are equally dedicated to maintaining safe work places and complying with all applicable laws.

Slavery and human trafficking, including forced and child labor, are issues of a world wide concern. In that regard, California has enacted the California Transparency in Supply Chains Act of 2010 (SB657). SB657 is designed to provide consumers with knowledge about the policies adopted by and procedures engaged in by companies with respect to verifying that their supply chains do not include companies engaged in slavery and human trafficking.

While no specific policy is required of a company subject to SB657 (and, in fact, SB657 permits a company to simply state that it declines to maintain any sort of slavery or human trafficking policy) Brandt has adopted and does follow a policy aimed at keeping its supply chain free from vendors or suppliers who engage in slavery or human trafficking.

Our policy begins first with education. Brandt educates and trains its personnel with respect to applicable laws of the countries in which its suppliers and vendors do business. Further, Brandt establishes, from time to time, its own standards with which its suppliers and vendors must comply, regardless of local business practices or social customs, and conveys those standards to Brandt's own personnel and its suppliers and vendors.

With the proper educational policies in place, the next facet of Brandt policy requires its suppliers and vendors to subject to periodic audits to verify compliance with applicable law, as well as Brandt's own standards regarding slavery and human trafficking, including forced or child labor. Although Brandt does not engage third party auditors, Brandt conducts audits of its suppliers and vendors as part of regularly scheduled announced visits to each supplier and vendor, and further reserves the right for unannounced audits with or without cause. During such visits, Brandt employees act as auditors. Supplier or vendor management may or may not accompany the Brandt auditor as he or she walks through the facility observing health and safety practices and work place conditions. During such facility tours, Brandt auditors take notes of correctable issues and may randomly interview facility workers, including questions regarding working conditions.

**Brandt Consolidated Inc**  
2935 South Koke Mill Road  
Springfield Illinois 62711 USA  
www.brandt.co

**Tel** 217 547 5840  
800 252 2905  
**Fax** 217 547 5801

**BRANDT**

Upon completion of the audit, Brandt auditors work with suppliers and vendors to remedy issues identified during audits and make sure corrective actions are taken. Brandt also requires suppliers and vendors to certify that with respect to the manufacturer of any materials incorporated into Brandt products, such materials are produced under circumstances which comply with laws regarding slavery and human trafficking in countries in which Brandt does business. Such suppliers and vendors must also certify to Brandt that all goods are made in compliance with all applicable U.S. laws, as well as the laws of the country in which the products are produced, including those of secondary suppliers. Suppliers and vendors are required to identify to Brandt all primary and subcontractor suppliers used in the production of its products, and must require second tier suppliers to authorize announced and unannounced audits by Brandt.

In addition to on site audits and certifications, Brandt maintains internal accountability procedures for the purpose of insuring employees, suppliers, vendors and contractors meet Brandt's standards regarding slavery and human trafficking. If and when deficiencies are identified, Brandt will take appropriate remedial action, up to and including termination of non compliant employees, suppliers, vendors and contractors. Brandt's key procurement employees and management personnel are provided training from time to time on risks of slavery and human trafficking in a supply chain. Brandt's training curriculum is made available to suppliers to help build internal social compliance programs, and suppliers are encouraged to request a copy of the curriculum, and Brandt is happy to assist suppliers in providing safe and healthy work places.