

## **California Transparency in Supply Chains Act**

The California Transparency in Supply Chains Act of 2010 (SB 657) became effective on January 1, 2012. This law seeks to increase the availability of information from certain manufacturers and retailers operating in the state of California regarding their efforts, if any, to address the issues of slavery and human trafficking in their direct supply chains. Any company doing business in the state of California with worldwide gross receipts of \$100 million is required to provide a conspicuous, easily understood link on their websites to the information describing the company's efforts.

UFP Technologies, Inc. ("UFP") supports the California Supply Chain Act's objective to provide consumers with critical information about the efforts that companies are undertaking to prevent and root out human trafficking and slavery in their product supply chains – whether here or overseas. UFP requires its suppliers to be compliant with respect to all laws and regulations applicable to them and is diligent in its own efforts to comply with all regulations applicable to its business. UFP does not produce or sell any of the high risk products that are stipulated on the US Department of Labor listing of "Goods produced by child labor or forced labor" but remains diligent in its review of high risk products and countries. UFP operations are all within the United States.

UFP's efforts to evaluate suppliers' conformity with laws prohibiting slavery and human trafficking and thus prevent risks of forced labor and human trafficking in the direct supply chain include:

### **1. Verification**

- We do not utilize a third party to evaluate risk or verify that our suppliers do not engage in slave labor or human trafficking practices. We use various types of available information from external sources to help us assess the potential risk of slavery or human trafficking in our supply chain. UFP does not tolerate child labor, forced slave labor or human trafficking practices and will not work with suppliers who do not comply with laws and regulations in this regard.

### **2. Audit**

- UFP does not conduct audits of suppliers to evaluate their compliance with company standards for trafficking and slavery in supply chains.

### **3. Certification**

- UFP holds our suppliers to a high ethical standard and thus requires their compliance with applicable laws and regulations at all times. These expectations are described in our Standard Terms and Conditions of Purchase which is applicable to all suppliers who do business with us and is available on our website, [www.ufpt.com](http://www.ufpt.com).

- UFP evaluates its relationship with its suppliers on an ongoing basis and reserves the right to terminate its relationship with a supplier who fails to comply with any applicable laws and regulations which would include laws prohibiting forced labor and human trafficking.

#### **4. Internal accountability standards and procedures.**

- UFP holds our directors, executives, and employees, to a high ethical standard and thus requires their compliance with applicable laws and regulations at all times. These expectations are described in our Code of Business Conduct and Ethics which is available on our website, [www.ufpt.com](http://www.ufpt.com). The Code of Business Conduct and Ethics explicitly refers to compliance with laws, rules, and regulations and requires all employees to respect and obey the laws of the cities, states, countries and towns in which we operate. Employees are encouraged to speak with managers or utilize the hotline provided for anonymous reporting of suspected violations of company policy and the Company takes any alleged violations of policy very seriously. We respond promptly and conduct investigations when appropriate. Violations of the Code of Business Conduct and Ethics or other UFP Technologies internal policies may result in disciplinary action, up to and including termination.
- All employees sign a form indicating acceptance of the Code of Business Conduct and Ethics along with other company policies upon employment. The Code of Business Conduct and Ethics is re-communicated to all employees annually.

#### **5. Training.**

- UFP provides information on forced labor and human trafficking practices and the laws that prevent such practices to managers with direct supply chain responsibility. These employees are taught to be mindful of these practices and the potential risks in certain areas of the world to enable them to mitigate risks when making decisions in their responsibilities for direct supply chain interactions.