

# California's Transparency in Supply Chains Law

The California Transparency in Supply Chains Act of 2010 (SB 657) requires certain companies manufacturing or selling products in the State of California to disclose their efforts (if any) to eradicate forced labor and human trafficking from their direct supply chains for goods they offer for sale.

Forced labor and human trafficking can take many forms, including child labor. Northgate Gonzalez Markets (Northgate) has a zero-tolerance policy for both forced labor and child labor used in the manufacture of all products that they sell.

## **I. Certification**

In order to work with Northgate, vendors and their contractors in the U.S. and other countries are expected to operate in a manner that respects the rights of people and to abide by Northgate's Code of Conduct. This Code of Conduct requires that vendors and their contractors who provide products to Northgate not engage in any labor practices that violate the laws and regulations of the country where the products are manufactured or assembled and not engage in any unsanitary or unsafe labor conditions. This Code of Conduct, which follows the U.S. Department of Labor regulations and the Fair Labor Standards Act, provides, among other things, that Northgate's suppliers and its contractors may not use or support child, indentured, involuntary, or prison labor in the manufacture of the products sold to Northgate.

The Northgate Code of Conduct is an integral part of the Northgate Standard Vendor Agreement, Northgate Purchase Orders, Import Letters of Credit, and Northgate's form Services and Consulting Agreements.

## **II. Verification and Audit**

Vendors and their contractors must maintain written records evidencing compliance with the provisions of the Code of Conduct and must make those records available to Northgate upon request.

Northgate directly imports general merchandise for sale under its private labels; Northgate requires 100% of all foreign plants that supply these Northgate private label products and its suppliers of foreign farmed or caught seafood to certify compliance with Northgate's Code of Conduct. This may include providing Northgate with a copy of a third party audit, which may be announced or unannounced, evidencing compliance with the Code of Conduct, including its child and forced labor prohibitions.

## **III. Training**

All involved personnel in the Northgate Purchasing Department receive training on the Code of Conduct, which includes updates and discussions of child labor laws and their importance in sourcing goods.

## **IV. Enforcement**

Any employee who fails to abide by the forced and child labor provisions of Northgate's Code of Conduct will be subject to disciplinary action, which may include termination. Northgate may terminate its relationship with a vendor found to be using child or forced labor to produce products that it sells (or attempts to sell) to Northgate. That vendor will also be subject to damages resulting from breach of its agreement with Northgate.