



California Transparency in Supply Chain Act

July 1, 2023

The California Transparency in Supply Chains Act of 2010 (SB 657) requires certain retailers and manufacturers doing business in California to disclose their efforts to address slavery and human trafficking in their direct supply chains. Kaléo is committed to upholding human rights in all aspects of its business, and it continually strives to ensure responsible supply chain management. Kaléo is taking the following related efforts, among other initiatives, in connection with its direct supply chain:

- **Verification:** Kaléo does not yet verify its direct supply chain to evaluate and address risks of slavery and human trafficking. Kaléo has implanted a third-party due diligence process that includes a preliminary evaluation of identified labor practices, including human trafficking and slave labor (“modern slavery”) violations.
- **Audits:** Kaléo does not yet audit its suppliers to evaluate compliance with company standards prohibiting modern slavery. Plans will be implemented in 2023 to incorporate modern slavery into existing supplier audits.
- **Certification:** Kaléo expects all suppliers to maintain the highest ethical standards when carrying out business activities. Kaléo does not yet require suppliers to annually certify compliance with modern slavery laws in the country or countries in which they do business. In 2023 an annual certification will be pursued of existing suppliers and will be incorporated into 2023 contractual obligations for new suppliers and those subject to renewal.
- **Internal Accountability:** Kaléo maintains a Code of Business Conduct & Ethics and other policies that require employees, consultants, and contract workers to comply with all applicable laws, including those that relate to labor practices. Kaléo will take appropriate action if it determines that an employee, consultant, or contract worker has violated a policy or law. The company also takes appropriate action if it determines that a supplier is not complying with all contractual requirements. Kaléo does not yet have internal procedures for determining whether suppliers are complying specifically with company standards regarding slavery and trafficking. Kaléo encourages internal and external stakeholders to report concerns about potential violations of policy and law.
- **Training:** All employees and management receive training on the company’s Code of Business Conduct & Ethics and other applicable policies and procedures. Kaléo has conducted live training with all impacted staff for awareness of human trafficking prevalence, how to identify red flags of concerning behaviors that may inform modern slavery activities and has instructed staff how to appropriately report to Kaléo Chief Integrity Officer. Kaléo provides all Suppliers with the Kaléo Anti-Bribery & Anti-Corruption Policy and Partner Code of Conduct which sets out expectations on many topics including modern slavery.