

## California Supply Chains Act

Threshold Enterprises, Ltd. and its affiliates supports the goals of the California Transparency in Supply Chains Act, and conducts business with suppliers who share those values and who provide a work environment that is free from human trafficking, slavery and unlawful child labor. As part of this commitment, we require our suppliers to certify compliance with U.S. laws and with the labor laws of the countries in which they conduct business.

We specifically include the following certification requirement in our purchase order terms and conditions:

**"Certification Regarding California Transparency In Supply Chains Act:** You certify that you, and all of your contractors and agents, manufacture products and produce materials without the use of forced labor including, but not limited to, human trafficking, slavery and unlawful child labor. BUYER reserves the right to verify your compliance with this certification through periodic and unannounced audits and verifications by BUYER or third parties working on BUYER's behalf. If you are found to be in violation of this certification, BUYER reserves all rights to terminate its business relationship and Purchase Order(s) with you. BUYER will investigate and address any information brought to its attention regarding any actions by you, or your contractors and agents, which violate forced labor laws. You certify that you shall comply with all pertinent U.S. labor laws and the local labor laws of the country or countries in which you operate."

We have assigned a Manager to be responsible for the oversight of supply chain compliance matters. This Manager is responsible for training, as appropriate, of key employees. We have not engaged in independent, unannounced audits and verifications, although we reserved the right to do so in the terms and conditions of our purchase orders.