



DAP Products Inc. and the California Transparency in Supply Chains Act of 2010

January 1, 2012

The California Transparency in Supply Chains Act of 2010 was approved by the Governor of California on September 30, 2010. The act requires retailers and manufacturers doing business in the State of California to disclose efforts to eradicate slavery and human trafficking from their direct supply.

DAP's status with regard to the California Transparency in Supply Chains Act is as follows:

1. DAP is in the process of conducting an initial evaluation of its supply chain. However, virtually all of DAP's direct suppliers are located in the United States. Although human trafficking and slavery may exist in the United States, reports issued by relevant U.S. government agencies indicate that the United States is not at significant risk for these activities. In light of this low risk, we have not employed a third party for verification.
2. DAP will seek to include contractual provisions in its relevant procurement contracts prohibiting the applicable suppliers from engaging in slavery and human trafficking. In addition, the terms and conditions on our purchase orders will ask suppliers to represent and warrant that they do not and will not knowingly use any slave labor or engage in any human trafficking. Because of the low risk in our supply chain, we do not currently plan to audit our suppliers for compliance. However, we will consider more intense measures such as auditing or third party verification for any suppliers we determine have a higher level of risk. If we suspect a supplier is involved in these activities, we will conduct an inquiry and take corrective action where possible.
3. DAP associates in charge of procurement and supply chain will be required to seek appropriate contractual documentation from relevant suppliers regarding their compliance with anti-slavery and anti-human trafficking mandates.
4. DAP will provide training for DAP associates who work with our procurement and supply chain on the issues involved with slavery and human trafficking as well as identification of risk.