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## California Transparency in Supply Chains Act

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Effective January 1, 2012, the state of California requires companies to disclose what they are doing to address human trafficking in their supply chains. Referred to as SB 657, the California Transparency in Supply Chains Act seeks to “educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby, to improve the lives of victims of slavery and human trafficking.”

Under no circumstance is it acceptable for child, forced or trafficked labor to be used in the production of any Quidel raw material, component or end product. We believe that no person should be subject to a situation where basic needs and fundamental rights are denied. The points outlined below in bold highlight each of the five pillars of the California Transparency in Supply Chains Act, followed by an explanation of what Quidel is doing to address each pillar.

- 1. The company engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.**

Quidel engages in verification of its raw material and component supply chain to evaluate and address risks of slavery and human trafficking. Preliminary risk assessments are performed by Quidel on potential suppliers with assessment questionnaires. Upon review of the questionnaire, as determined appropriate, Quidel may follow-up with an in-depth assessment conducted by either a Quidel supplier assessment team, or a third-party auditing firm. Suppliers are periodically reviewed based on the risk as related to the potential for human trafficking and slavery.

- 2. The company conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.**

From time to time, Quidel conducts audits of direct material suppliers to evaluate supplier compliance with Quidel’s standards for human trafficking and slavery. Direct material suppliers are evaluated through audits on their compliance with the terms of our supply agreement. Our audits may be announced or unannounced depending on the risk assessment for human trafficking at the supplier and any notice set forth in our supply agreements. The audits may be conducted by either a Quidel supplier assessment team, or a third-party auditing firm. Following audits, suppliers are required to produce a corrective action plan to outline how the supplier will resolve any issues uncovered in the audits. Quidel has zero tolerance for human trafficking or slavery.



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- 3. The company requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.**

Quidel's purchase order and supply agreements require all direct material suppliers to comply with all applicable laws, including those regarding slavery and human trafficking of the country in which the suppliers are doing business.

- 4. The company maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.**

Quidel maintains and enforces internal accountability standards and procedures for employees through our code of conduct regarding slavery and human trafficking. Our code of conduct emphasizes that employees who engage contractors are obligated to report any suspected human trafficking or slavery. In the case of non-compliance or suspected non-compliance, Quidel reserves the right to review the specific situation and develop a best possible strategy for resolution. If cases of non-compliance are not resolved within a timely manner, Quidel may terminate the business relationship.

- 5. The company provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.**

Quidel conducts internal training on Quidel's Code of Conduct to ensure the necessary participants in the supply chain management team are knowledgeable and aware of the issues and concerns surrounding, and mitigating risks to, the supply chain, including risks of human trafficking and slavery.

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