

To our stakeholders:

*Over the past year, we have committed to doing business the right way. We've invested heavily into this effort and are proud of the steps we've taken to establish our Responsible Sourcing Program. We have increased transparency and accountability throughout our global supply chains. And we have sent the message to all NSI stakeholders that Corporate Responsibility is not negotiable. This journey is both a process and an outcome, and we commit to continue working towards maintaining your trust.*

Sincerely,

**Vincent Grignon**

Co-Founder and Chief Executive Officer  
January 17, 2020

## VALUES AND COMMITMENTS AT NATURAL SOURCING INTERNATIONAL (NSI)

At NSI, we are continuing to develop and implement innovative solutions throughout our business to deliver long-term value in financial, environmental, social and ethical standards. We have an active commitment to The Principles of the UN Global Compact to

### WE SUPPORT



address critical issues in the supply chain regarding human rights, labor, environment & corruption and share those with our suppliers with the expectation that our suppliers will meet

them. We have established a commitment to making these principles part of our strategy, culture and the day-to-day operations of our company. Our aim is to engage in collaborative relationships with our suppliers to advance these principles which contribute to the UN Sustainable Development Goals.

## A REFLECTION OF OUR COMPANY MISSION

Our Responsible Sourcing Program is driven by the belief that meaningful corporate citizenship is essential to our long-term business success and is essential to upholding our company mission, **"to make organic and natural food available to all."** Recognizing that there are differences in laws, customs, and economic conditions that impact business practices around the world, we believe that shared values must serve as the foundation for relationships between NSI and its suppliers.

The Responsible Sourcing Principles (outlined on page 2) communicate our values and expectations and emphasize the importance of responsible workplace policies and practices that comply, at a minimum, with basic human rights, applicable environmental laws, local labor laws and regulations. These principles reflect the values we follow in our company, and we encourage our suppliers to engage in and adopt these values to further global progress to meet the 2030 Agenda for Sustainable Development.

## LAW AND CODE COMPLIANCE

NSI expects suppliers to comply, at minimum, with all applicable human rights, labor, employment, immigration, health and safety, trade, environmental, and anti-corruption laws and regulations of the country of production and origin. The requirements of our newly developed Supplier Code of Conduct and principles set forth here apply throughout the entire supply chain, including sub-suppliers, sub-contractors and farms.

NSI routinely uses independent third-parties to assess compliance with our Supplier Code of Conduct, which details the expectations of our Responsible Sourcing Program. If a supplier fails to uphold any aspect of our Code of Conduct, the supplier is expected to commit to a collaborative action plan and continuous improvement.



## RESPONSIBLE SOURCING PRINCIPLES

*These principles outline the expectations of the NSI Supplier Code of Conduct and apply throughout the entire supply chain.*

**Employment is freely chosen:** There shall be no use of forced, bonded, involuntary or illegal prison labor. Employees should not be forced to surrender identification or travel documents.

**Freedom of association and the right to collectively bargain are upheld:** Employees must be free to join or organize a workers' association or to engage in collective bargaining, and no disciplinary action is to be taken if employees engage in such activities.

**Working conditions are safe and hygienic:** Suppliers should provide a safe and healthy workplace in full compliance with applicable laws and regulations on health & safety. Proactive measures to prevent accidents and injuries shall be in place. Also, where housing facilities are provided for employees, respect of applicable legal requirements for dormitories must be followed.

**Child labor is not used:** Suppliers must adhere to the minimum age provisions of local or national laws. Minimum working age of 15, or 14 for developing countries (not included in article 2.4 of ILO Convention 138), must be met even when national law states younger age. Documentation confirming date of birth of workers must be provided.

**Living wages are paid:** Wages and benefits must be at least equivalent to or higher than the minimum wage established by national law or industry benchmark standards, whichever is higher. Overtime must be compensated. Deductions from wage as a disciplinary action shall be prohibited.

**Working hours are not exhaustive:** Working hours should not exceed 48 hours a week and overtime hours (on a voluntary basis)

should not exceed 12 hours, totaling 60 hours in any single week. At least one day's rest in any seven-day period, or when allowed by law, two days rest in a fourteen-day period shall be provided.

**No discrimination is practiced:** Workplace, recruitment and employment practices shall be free from discrimination based on race, religion, belief, gender, ethnic background, disability, medical status, political affiliation, union membership, national origin, sexual orientation or marital status.

**Regular employment is practiced:** Recruitment and employment practices shall be in full compliance with the law. Only workers with a legal right to work shall be employed and copies of hiring and termination records shall be maintained.

**No harsh or inhuman treatment is allowed:** Verbal, sexual, physical, or psychological harassment is not permitted. The respect and dignity of employees must be ensured.

**Environmental stewardship is promoted:** Business practices should embrace environmental sustainability and efforts should be put in place to reduce environmental impact. Efficient use of natural resources and safe handling of hazardous materials and waste shall be practiced. Land rights of communities, including indigenous peoples, shall be protected.

**Business is conducted ethically:** Business practices shall adhere to laws related to bribery, corruption, and any fraudulent business practices.

**Continuous improvement is managed:** Effective management systems should be in place to control and monitor compliance of these principles with the goal of ongoing and sustainable business practices.



## PROGRESS

We began our Responsible Sourcing journey in Q1 of 2019 and launched our program throughout our product supply chains in Q2. We are incredibly proud of the progress we've made in such a short time and look forward to making even greater strides in the future.



# 40

Products

A total of 40 active items in our Product Portfolio that meet compliance (items listed below)

- Organic Black Chia Seeds (Log 5)
- Collagen Peptides
- Organic MCT Powder
- Organic Turmeric Powder
- Organic Moringa Powder
- Cauliflower Baking Mix
- Monk Fruit Sweetener
- Organic Virgin Coconut Oil
- Organic Refined Coconut Oil
- Organic MCT Oil (98%) - 16 fl oz
- Organic MCT Oil (98%) - 32 fl oz
- Organic C8 MCT Oil
- Organic Coconut Amino Seasoning - 8.5 oz
- Organic Coconut Amino Seasoning - 16.9 oz

# 17

Audits

NSI has played an active role in establishing 17 social audits with our suppliers.

- Organic Fair Trade Cacao Powder (Single Origin Peru)
- Organic Cacao Powder (Single Origin Peru)
- Organic Cacao Nibs
- Organic Fair Trade Cacao Nibs (Single Origin Peru)
- Organic Cacao Butter Wafers
- Organic Coconut Cream (30%)
- Organic Coconut Milk (17%)
- Organic Light coconut Milk (10%)
- Coconut Milk
- Organic Dried Mangos
- Organic Dried Jujubes
- Organic Dried Pitted Jujubes
- Organic Dried Goji Berries

# 18

Countries

Suppliers undergo Responsible Sourcing protocol in the product development phase.

- Organic Dried Deglet Noor Pitted Dates
- Red Dragon Fruit Chips
- White Dragon Fruit Chips
- Organic Watermelon Months
- Organic Original Coconut Chips
- Organic Chocolate Coconut Chips
- Organic Mango Chips
- Organic Banana Chips
- Organic Dried Shiitake Mushroom Caps
- Beet Chips
- Organic Beet Chips
- Organic Sea Salt Beet Chips
- Dark Chocolate Covered Goji Berries

