



January 5, 2012

California Transparency in Supply Chains Act of 2010, S.B. 657, Disclosure

Royal Adhesives & Sealants is committed to conducting business in a lawful, ethical and responsible manner and expects all employees to consistently demonstrate these values in operating the business. As such, Royal supports the goals of the California Transparency in Supply Chain Act of 2010(S.B. 657). Additionally, Royal Adhesives & Sealants expects our suppliers to adhere to these same standards and to monitor their own supplier's for compliance with these standards.

The California Transparency in Supply Chan Act (S.B. 657) requires the following disclosures:

- a) Royal conducts business and operates its facilities in accordance with the highest standards of business ethics and conducts business in a lawful and responsible manner. Royal does not engage in third-party audits to evaluate risks of human trafficking and slavery.
- b) Royal expects its supply base to conduct business to these same standards. Royal also expects suppliers to comply with all the laws regarding slavery and human trafficking in the countries that they conduct business. Royal does not audit our suppliers to verify they comply with these standards.
- c) Royal has an established code of conduct that employees and contractors are accountable for adhering too. Employees and contractors are accountable for failing to meet Royals expectations for adherence to our code of conduct. Royal's code of conduct does not currently address slavery and human trafficking.
- d) Royal has provided information and knowledge to employees and management with direct responsibility for supply chain on issues relating to human trafficking and slavery.

Questions regarding this disclosure can be directed to Royal's Vice President Supply Chain, Mark Ericson, at 864.228.1381 or Vice President of Human Resources, Virginia Buttala at 574.246.5301.