Updated: February 1, 2018

TO: **All Employees**

Date: **February 2, 2018**

RE: **Anti-Harassment, Discrimination and Retaliation Policy**

Katella Deli, Bakery, Restaurant (the "Company') is committed to providing a work environment free of discrimination, harassment, retaliation, disrespectful or other unprofessional conduct. As part of its commitment to equal opportunity, the Company strictly prohibits discrimination and harassment in the workplace based on race, color, creed, religion (including religious dress and grooming practices), national origin (including language use and possession of a driver's license issued to persons unable to prove their presence in the United States is authorized under federal law), ancestry, age, physical and/or mental disability, protected medical condition, pregnancy or perceived pregnancy status, childbirth, sex (including breastfeeding, childbirth, and related medical conditions), sexual orientation, gender (including sex stereotyping, gender identity, and gender expression), genetic information, citizenship or immigration status, marital, civil union, or registered domestic partner status, uniform service member status or status as a Vietnam-era or special disabled veteran, political affiliations or activities, status as a victim of domestic violence, assault, or stalking, or any other consideration protected by federal, state, and local laws, ordinances or regulations. The Company also prohibits discrimination and harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. **All such conduct violates company policy and will not be tolerated.** The Company will take all reasonable steps to prevent and promptly correct unlawful discrimination and harassing conduct, whether intentional or unintentional, that it becomes aware of.

The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits harassment, disrespectful or unprofessional conduct by or toward any employee of the Company, including co-workers, supervisors and managers, as well as vendors, customers, independent contractors and any other persons.

Prohibited harassment, disrespectful or unprofessional conduct includes any unwelcome verbal or physical conduct that creates an intimidating, hostile, or offensive work environment for an individual, and includes, *but is not limited to*, the following behavior:

- Unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when:
    1. Submission to the conduct is made a term or condition of employment; or
    2. Submission or rejection of the conduct is used as a basis for employment decisions affecting the individual; or
    3. The conduct has the purpose or effect of unreasonably interfering with the employee's work performance or creating an intimidating, hostile, or offensive working environment. Loss of tangible job benefits is not necessary to establish harassment.
- Verbal conduct such as epithets, derogatory jokes or comments, slurs, degrading any group or class of people, offensive remarks about a person's religious beliefs or practices, ethnicity, age or race, graphic verbal commentary about an individual's body, suggestive notes, invitations or other sexually degrading words to an individual;

- Visual conduct and displays such as leering, making sexual gestures, or displaying derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis; Treating an employee with less respect than other employees because he/she has a disability, had a disability in the past, or is believed to have a physical or mental impairment, because she is or has been pregnant or perceived to be pregnant, because they are from a particular country or part of the world or have an accent, or because they appear to be of a certain ethnic background (even if they are not), or because of any choices relating to gender expression or identity;
- Assigning less desirable work or working conditions to employees of such protected group based solely on their group affiliation;
- Retaliation for reporting or threatening to report harassment; and
- The use of work computers, email system, voicemail system, or any other electronic media in ways which are discriminatory, harassing or obscene, or for any other purpose which is illegal and/or against company policy.

Sexual harassment includes harassment of women by men, of men by women, and same-sex, gender-based harassment of men by men and of women by women, and includes a broad spectrum of conduct, including harassment based on sex, gender, gender identity or expression, transgender or sexual orientation. Additionally, sexually harassing conduct need not be motivated by sexual desire to be unlawful or violate this policy.

The Company also prohibits individuals from engaging in abusive or bullying conduct. Abusive conduct is conduct in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. It may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance.

Complaint and Investigation Procedure

Everyone is accountable for reporting concerns or perceived violations of this policy, and ensuring that a workplace free of unlawful harassment and discrimination is maintained. If you believe that you have been the subject of harassment or other prohibited conduct by a co-worker, supervisor, or any other individual (whether or not the individual is employed by the Company), or if you believe you have witnessed or learned about such conduct, report the incident(s) and/or information to your own or any other Company supervisor, or the personnel administrator of the Company as soon as possible after the incident. If one of these individuals is involved in the reported conduct, or, if for some reason you feel uncomfortable making a report to these individuals, the report should be made directly to the president of the Company. You will be asked to provide details of the incident or incidents, names of individuals involved and names of any witnesses. It would be best to communicate your complaint in writing, but this is not mandatory. Supervisors must refer all complaints involving harassment or other prohibited conduct to the personnel administrator, investigative officer or the president of the Company. The Company will immediately undertake an effective, thorough, fair and objective investigation of the allegations, providing appropriate due process to the parties involved. The investigation will be conducted by an impartial and qualified individual who will document and track their progress, and will include interviews of the employee/individual who made the complaint, the employee/individual(s) against whom the complaint was made, as well as any relevant witnesses. Employees will be expected to cooperate fully with any efforts by the Company to conduct investigations and otherwise enforce this policy.

The investigator will reach reasonable conclusions based on the evidence collected during the investigation. If the Company determines that harassment or other prohibited conduct has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Company to be responsible for harassment or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. The Company will also take action to protect the complaining employee and to prevent further harassment or retaliation, and appropriate action will be taken to remedy the complaining employee's loss, if any, to the extent possible. Additionally, even if the Company determines that the conduct complained of does not rise to the level of unlawful harassment, discrimination or retaliation, the Company may still offer appropriate options for remedial actions and

resolutions to solve the issues raised. A Company representative will advise all parties concerned of the results of the investigation in a timely manner. The Company will also treat all such complaints and investigation with as much confidentiality as possible, consistent with the need to conduct an adequate and thorough investigation. The Company will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

The Company encourages all employees to report any incidents of harassment or other prohibited conduct forbidden by this policy **immediately** so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed, discriminated or retaliated against for resisting or complaining, you may file a complaint with the appropriate agency. The nearest office is listed in the telephone book. Violators are subject to penalties and remedial measures that may include sanctions, fines, injunctions, reinstatement, back pay and damages. Additionally, any individuals including co-workers and supervisors engaging in such conduct contrary to Company policy may be personally liable in any legal action brought against them.

Non-Retaliation

The Company will also not tolerate retaliation against anyone who (1) makes a good faith report or complaint (or otherwise provides informal notice/information to the Company), either internally or to a federal or state enforcement or administrative agency, (2) participates or cooperates in an internal workplace investigation regarding alleged unlawful activity or with a federal or state enforcement agency conducting an investigation of the Company regarding alleged unlawful activity, (3) associates with a family member engaged in any of these activities, or (4) opposes any practice made unlawful by federal, state or local law. If despite this policy, you feel that you have been retaliated against, you should promptly report such retaliation to the person in charge of the investigation, their immediate supervisor, any other manager or supervisor, the personnel administrator, or the president of the Company using the complaint procedure described above in this policy.

Violation of Policy

Violations of this policy will be taken seriously and will result in appropriate corrective action. Any employee determined to have violated this policy will be subject to appropriate disciplinary action, up to and including termination of employment. Violations of this policy include, but are not limited to, discriminatory, harassing or retaliatory conduct; failure or refusal to participate in an investigation concerning reported incidents of potential policy violations; or other actions contrary to this policy.

Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy may be subject to appropriate disciplinary action, up to and including termination, and under federal and state laws, may be held personally liable for unlawful harassment.

If you have any questions regarding this Anti-Discrimination, Harassment and Retaliation Policy, please contact the Human Resources Manager.