January 8, 2023

Dear NCG,

Thank you for reaching out. We greatly value you as a Hu retail customer, and we appreciate having the opportunity to address your questions following the *Consumer Reports* coverage that ran a few weeks ago.

I'd like to first draw your attention to our Hu website, where we posted a response to the *Consumer Reports* story. You can find it here: hukitchen.com/pages/response#/

You'll see in that response that we've addressed many of the questions you've posed, but we'd like to also take a moment to answer the individual topics you've raised.

- **What practices does your brand currently employ to ensure that your products are safe and free of harmful heavy metals?**

We work closely with our suppliers to monitor the naturally-occurring trace amounts of heavy metals in our chocolate to ensure we comply with all applicable standards, including those in the far-stricter (compared to both the FDA and European Regulations) California State court judgment. The California State court judgment requires dark chocolate like ours sold in California to have lead levels less than 0.150 micrograms per gram of chocolate (one microgram is equal to one millionth of a gram). Hu dark chocolate was measured in the media coverage at a lead level of 0.035 micrograms per gram of chocolate. ***So, Hu is 77% below the level required by the already far-stricter California State court judgment.***

- **Do you all test finished products for heavy metals?**

No, because we instead take a more pre-emptive approach and test even earlier in the process. The cacao paste produced early in our bean-to-bar process is tested by our supplier for heavy metals, and our supplier certifies that the cacao paste meets our standards. We have determined that there is no need to regularly test the finished product since the cacao paste is systematically tested, and no heavy metals are added in our chocolate during the manufacturing process. As mentioned in our response to the first question, we work closely with our suppliers to continually monitor the naturally-occurring trace amounts of heavy metals in our chocolate to ensure we comply (by a very large margin) with all applicable standards, including those in the far-stricter (compared to both the FDA and European Regulations) California State court judgment.

- ***What practices does your brand employ in your sourcing to ensure that your suppliers are testing for the presence of harmful heavy metals?***

In addition to what we've shared above, Hu's supplier, in its monitoring of the cacao paste used in Hu chocolate, is directed to reject any cacao paste that exceeds the applicable standards set forth in the far-stricter (compared to both the FDA and European Regulations) California State court judgment. As mentioned earlier, ***Hu is 77% below the level required by that far-stricter California State court judgment.***

- ***Does your brand currently offer any products that have reliably and consistently tested below California's Maximum Allowable Dose Levels for these metals? If so, which products?***

All of our Hu chocolate is (again, by a very large margin) in compliance with all US and European heavy metals regulations. As mentioned above, all cacao paste used in Hu chocolate is tested by our supplier, and any cacao paste that exceeds the California State court judgment (the strictest required level of compliance) is directed to be rejected by our supplier and not used to make our chocolate.

Since heavy metals are naturally-occurring in trace amounts in cacao, the levels do vary from batch to batch. However, through our supplier's testing of the cacao paste before it is used in our products, we ensure the heavy metal levels never exceed the levels set forth in the California State court judgment.

- ***What changes in sourcing/testing are underway or planned as a result of Consumer Reports' research?***

We at Hu, like other chocolate manufacturers, continue to look for ways to reduce the naturally-occurring trace amounts of heavy metals in our products. But, even as we do this, it is not because our chocolate is unsafe to eat.

- ***Solving the heavy metal contamination issue is an industry wide issue. Is your brand working with any industry groups/brand coalitions to solve this challenge?***

We, like other chocolate manufacturers, are engaged with industry efforts, including those of the National Confectioners Association (NCA) to prioritize this topic and explore ways to reduce heavy metal levels in dark chocolate. As you have may have seen in NCA's response to the article (https://candyusa.com/news/nca-statement-on-consumer-reports-chocolate-and-cocoa-study/), chocolate companies are jointly working with As You Sow on ways to continue to reduce lead and cadmium levels in chocolate.

- ***Does Hu support a "buy back" for any member co-ops who choose to pull your bar(s) specifically named in the report as having high levels of lead and/or cadmium? We're***

unsure if any may choose to do so and are not recommending they do, but will let them know if that option is available to them by your response.

We do not believe this is appropriate or necessary; as we've previously shared, by a very large margin, Hu chocolate easily complies with: (i) the U.S. Food & Drug Administration (FDA) limits; (ii) European Union limits; and (iii) the far-stricter requirements of a 2018 California State court judgment. Our Hu retail customers and our consumers have nothing to be concerned about eating Hu chocolate.

Thank you for reaching out and for the opportunity to address your concerns. If you have further questions, please do not hesitate to contact us.

Best regards,

The Hu Team