

TraceGains Culture Handbook



2024



A **leader** is one who knows
the way, goes the way, and
shows the way.

—JOHN MAXWELL

TraceGains CEO, Gary
Nowacki, presenting at
the European World Food
Summit 2023 in Milan.



We're in this Together

If you're already a TraceGains team member, we're glad you're here.

"We're in this Together" is one of our fundamental values. This handbook reminds us of our mission, keeps us rowing in the same direction, and, most importantly, encourages us to support each other. Since launching TraceGains in 2008, we've built a fantastic company, yet the future is so bright it feels like we're just getting started.

If you're a candidate evaluating TraceGains, you almost certainly have questions about culture.

That's a very good thing because sometimes the best people and the best companies aren't the best matches for each other. If they're not, misalignment of culture is often the issue. We like to hire for anniversary dates, not start dates, so please, read this handbook and ask yourself if TraceGains' culture is a good fit for you.

Culture is both a vast and critical topic. That's why we've taken the time to write this handbook with specifics and examples to illuminate. Thanks for your time and attention, and we look forward to continuing the conversation and engagement.

A handwritten signature in black ink, appearing to read "Gary Nowacki", with a stylized flourish at the end.

Gary Nowacki
CEO

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Why Join TraceGains

Every person above
the ordinary has a
certain **mission** that
they are called to
fulfill.

— JOHANN WOLFGANG VON GOETHE





TraceGains is a True Mission-Driven Company

A single mission drives everything we do at TraceGains: Revolutionize Information Exchange across the Supply Chain.

We believe in this mission because it's urgent and critical. First, the supply chain we serve, Consumer Packaged Goods (CPGs)—primarily in the food, beverage, and dietary supplements sectors—is the largest and most fragmented supply chain on the planet.

Worldwide, hundreds of thousands of CPG processing sites depend on hundreds of thousands of suppliers. So, at each step in the farm-to-fork journey, stakeholders must exchange information, a lot of information.

Everyone at TraceGains is also a consumer, so we all know what's at stake.

▶ **Grabbing a snack bar with 12 ingredients and want to be sure that its claims, such as organic and high protein, are legit?**

Manufacturers must provide a wealth of information to back up those claims.



Excited to try a new product from a trusted brand?

It probably took six to 12 painful months for the brand owner to bring that product from concept to consumption, and a lot of that time is lost during the exchange of information; everyone would like to speed that up.



Want to make sure that rice-based baby food doesn't contain arsenic (yes, arsenic is a big issue with rice)?

Did the brand owner vet the rice grower and review lab test results for heavy metals? Again, that requires reams of documentation.

TraceGains has a unique point of view.

Individual preferences and similarly minded "market segments" are changing faster today. Information, technology, sustainability, economics, and even the leverage of social networks have propelled an unprecedented pace of change. Moreover, customer communities have positive and lasting effects across the globe as they hold brands accountable to higher quality, safety, sustainability, and sociological standards. As a result, the voice of the customer is robust and highly influential.

Ingredients are the building blocks of food products. Digitizing information opens endless collaboration and possibilities between suppliers, manufacturers, customers, and even internally. Ingredient agility is the new brand agility, and new levels of speed and agility are what brands can achieve with TraceGains.

TraceGains believes that without a better way to harness the power of networked ingredient sourcing, collaborative innovation, and co-manufacturing within a single ecosystem, the supply chain can't address the dangers of inflation, unreliability, and the evolving concerns surrounding ESG (environmental, social, and governance). That's why TraceGains built the world's only CPG Networked Ingredients Marketplace, and it's changing the supply chain.

We're not better. We're different.

Quality and new product development (NPD) software providers in the CPG business have taken the same failed approach to information exchange for decades. "We'll build you a custom portal where all your suppliers log in and upload the information you need." Industry veterans sometimes refer to this strategy as a "hub-and-spoke" model. It sounded good, and it worked when only a handful of brand owners used custom portals.

But it soon turned into a disaster. As more customers asked suppliers for information, suppliers found themselves overwhelmed. As a result, most customers couldn't get information from their suppliers because CPG remains a low-margin business. Suppliers can't spend money hiring an army of personnel to manage all these portals. There are hundreds of thousands of stakeholders. The most insane part is that customers want the same information on allergens, sodium, fat, organic, etc.

The insanity persisted until late 2014. That's when TraceGains decided the supply chain needed a better way forward. So, we came up with something different than portals or hub-and-spoke: a network.

The Network is everything.

Taking a page from the playbook of social networks such as LinkedIn and Facebook, TraceGains created the planet's only network for the CPG supply chain. We call it Gather. With TraceGains Gather®, customers and suppliers join the network and connect, like social networks. Once they're connected, they exchange information instantly. Customers don't need to badger their suppliers. Instead, suppliers upload information once, and it automatically propagates to all their customers, including new TraceGains customers. We call this PostOnce®, and we hold the patent on it.

As we launch new products or expand features of existing products, we always take Gather into consideration.



Creativity is thinking
up new things.
Innovation is doing
new things.

—THEODORE LEVITT



02

We're in this Together

This sentiment sounds great, but pulling it off and upholding it requires work, conscious values, and ground rules. Here are ours:

1. We encourage everyone to speak up.

We believe the best problem-solving happens when teams tackle issues together. That requires colleagues to speak up and share their observations, concerns, and even constructive criticism. As our product suite grows and our customer base expands internationally, problem-solving becomes more challenging. Most of us at TraceGains knew almost everything about our small set of products back in the day. Now, no one knows everything, so we rely on each other to work through problems as a team.

2. We debate, then commit.

OK, so we have a decision to make. Everyone on the team has spoken up. It's decision time, so can we get a unanimous agreement on what to do? Not always. In these cases, we must decide. Once we make that decision, it's time to move on. We work together on the problem and row in the same direction. We call this "debate, then commit."

3. We play nice and don't tolerate jerks.

Anyone who's held a job has faced a jerk or two. Whether it's a bully who takes over meetings, a manager who gets away with bad behavior, or a co-worker who spends more time gossiping and back-stabbing than working, they linger in nearly every workplace. At TraceGains, we don't tolerate jerks. We believe jerks—no matter how smart or talented—aren't worth the cost. So, we try hard not to hire jerks and then don't tolerate them if they slip through the recruiting cracks. Instead, we emphasize mutual respect and teamwork because everyone deserves a chance to thrive in an inclusive work environment.

4. We are transparent and accountable.

We hold monthly all-team meetings to ensure open and transparent communication. Early in the year, we share all key company-wide and departmental goals, and then each month provide updates on progress, opportunities, and challenges. In addition, at every monthly gathering, we take and answer anonymous questions from team members. They're not always easy, and sometimes they're downright uncomfortable, but they make us better and stronger as a team. We value all input when essential issues or decisions loom on the horizon. Sometimes, it's even appropriate to do a company-wide survey. Examples include added benefits everyone would like to see and whether we should work from home or at the office. We share results and remain open and transparent throughout the decision-making process. We post job descriptions with clear skill sets and salary ranges for new hires and promotion opportunities to all team members.

5. Creativity and innovation are crucial to our success.

Join any product meeting on any topic, and chances are that regardless of how long and robust the discussion is, the name of not one competitor comes up. At TraceGains, we push ourselves to always be first with the next great solution. And the key to that success is the creative thinking of all our team members. One great example of how seriously we take this is our annual Creativity Contest. Team members submit their ideas throughout the year, and the ones with the most potential take part in a pitch event. The finalists pitch their ideas to a committee of their peers (not senior leadership), and the committee votes and picks the top three winners. What do the winners get? The third-place prize is dinner for four at a high-end restaurant. Second place receives a weekend for two at an exclusive resort. And first place? A week for two in Hawaii.

6. Failure is always an option.

That trip to Hawaii you just read about? Several years ago, the winner came up with an idea to reduce the price and features of several of our products to allow smaller companies to buy TraceGains. It was a great idea. We rallied, managed a complex rollout, and it was an

utter failure. Did someone get demoted or fired? Absolutely not. We learned a ton about the market we otherwise wouldn't have. And, ironically, we not only licked our wounds and learned from the process, we later went back to the drawing board, planned a new rollout with similar goals, but this time with much more data and a better, retooled approach. We embrace failure as an opportunity to learn. We'd just rather fail fast. That way, we can get on to the next exciting thing.

7. Diversity, equity, and inclusion aren't just words.

In 2020, we created the TraceGains Diversity, Equity, and Inclusion (DEI) Committee. Today, we call this TraceGains Ambassadors. TraceGains Ambassadors include volunteer leaders and HR team members who schedule meetings throughout the year, inviting anyone interested to join in discussions and plans. Over time, and with guidance from TraceGains Ambassadors, we have prioritized and launched multiple initiatives. Early on, we launched unconscious bias training and made it mandatory for all team members. TraceGains Ambassadors then created our Culture of Inclusion statement, which you can read [here](#). Moving forward, we're forging relationships with several organizations focused on diversity. As our journey to build a more diverse team continues, we champion inclusive hiring practices to make sure the best and brightest from all groups feel not only welcomed but represented with a strong sense of belonging. And we're already seeing results. We've exceeded the national average of women employed in tech companies, increased our efforts and commitment to hiring employees from underserved groups, and increased charitable donations to diverse nonprofits. And we're just getting started!

8. We have fun as a team.

We believe in a solid work-life balance. When people have fun together it increases trust, creativity, and communication. Every year the entire team travels to a resort location for something we call TG Summit—three days of collaboration, relationship building, and lots of fun. So, whether it's this gathering, quarterly Spirit Weeks, local/team social gatherings, or numerous engaging contests, TraceGains employees do a lot more than work—we have fun.

9. We give back.

Empowering our team to follow their charitable passions has been one of our best decisions—it's led to happier employees and a deeper connection with our community. We bond over volunteer projects, such as building bikes for local kids with the Westminster Fire Department, packing lunches to feed low-income students, or pulling a jumbo jet to support Special Olympics Colorado. Have a particular charitable passion? Great news—all team members receive two days off every year to give back.



“Success is not just
making money.
Success is fulfillment;
**it's the ability
to give.**

—ADAM NEUMANN



03

We Wow Our Customers

Years ago, we were excited to get our first-ever call from a CPG professional who told us, “I ran TraceGains at my last company and liked it. I’m at a new company and want to bring TraceGains in.” Today, this happens at least once a month. In fact, some CPG professionals are now at their third or even fourth company to run TraceGains. We can tell many stories about how customers like our products, but this story is the proof in the pudding.

Customer intimacy and collaboration are essential.

We assembled our first customer advisory group in 2012. We’re glad we’ve invested in customer intimacy and collaboration all these years and countless meetings and discussions later.

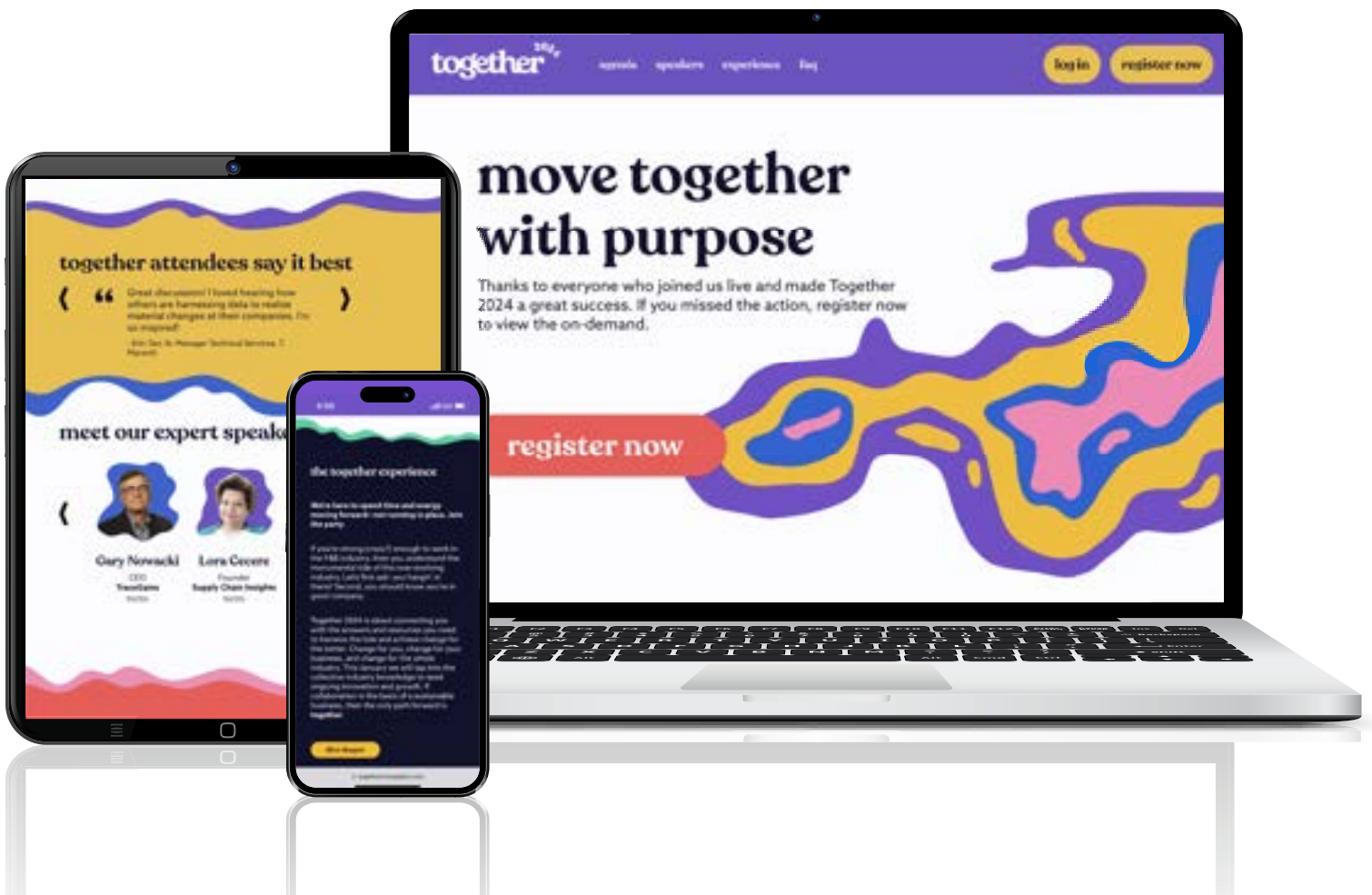
Today, we have customer advisory groups for strategic and executive topics. We have customer advisory groups for international expansion. We have customer advisory groups for ESG. We have customer advisory groups for regulations, standards, and forms. The list goes on, and the more we engage with our customers, the stronger we become.

We also started hosting an annual user conference.

The first year, 60 people showed up.

Now we draw more than 1,000 attendees every year because CPG professionals understand the mission we're on and how it makes their lives easier.

► **together**



In addition, we:

- Attend all the most critical events and association meetings to understand our customers' problems.
- Provide a webinar series targeted at helping our customers and prospects learn from their peers and industry experts.
- Offer CSM resources to coach customers on how to achieve their goals with TraceGains.
- Leverage early-adopter customers to aid in product development.

We stay forward-looking—take care of the future, and the present will take care of itself.

We rarely talk about competitors. However, by constantly pushing ourselves to bring better solutions to our customers, we take care of the future, and the present takes care of itself. We generate our own tailwind so that, every year, we attract new customers and add revenue and team members while boosting the value we deliver to make this a win-win-win for our customers, team members, and investors.

We choose to act, not react.

By encouraging creativity, asking everyone to speak up, taking risks, and embracing productive failure, we empower our team members to act, not react. Constantly pushing the envelope to wow our customers isn't always easy, but the rewards are manifest.



There's a way
to do it better,
find it.

—THOMAS A. EDISON



04

Strategic Anchors Reduce Stress

There's a reason software starts with "soft." It allows companies like TraceGains to explore new areas, make changes, or go in a thousand different directions at a moment's notice. Agility and quickness are great, but a sheet of paper with no borders can make life stressful. For example, when we consider decisions, if we must ask too many questions—such as "What's our goal?" "What's our fundamental strategy?" or "What are the criteria for making a decision?"—those meetings can turn frustrating and drag on for far too long. At TraceGains, we follow certain North Stars or guard rails that make decision-making easier and eliminate stress.

Networks require standards. And standards make everyone's life easier.

Those custom portals and hub-and-spoke models don't require standards because they're custom one-off solutions. The result is chaos—a thousand languages like Babel and horrific levels of redundant work, but not much discipline to create these pathways.

A network is different by definition.

If you want to upload documents, images, or files on LinkedIn or Facebook, you must follow standard formats and protocols. Likewise, TraceGains Gather® requires standard formats. In the end, everyone's a winner from the efficiency this offers customers, suppliers, and TraceGains. But sometimes,

we need to remind CPG professionals about all this because they might want to keep doing things the way they did before, and they don't understand that their custom solutions hamper network advantages.

We choose one-to-many over one-to-one solutions (we don't do custom or one-off solutions). While we're huge fans of customer intimacy and collaboration, there are times when a customer "wants things their way." In these cases, we try to give them the solution they need, but in a universal format. As we approach 3,000 customer sites and 100,000 supplier locations, everyone in the network enjoys the benefit of one standardized solution. Everyone loses if just a few customers grab the steering wheel and drive the TraceGains car into the ditch.

We engineer for:

- ▶ Continuous scalability
- ▶ Self-support
- ▶ Reduced configuration

These are additional North Stars that make meetings and decision-making faster and smoother. They all echo our disdain for creating solutions where we must build an army of specialists to get them off the ground. The more scalable and out-of-the-box solutions are, the more everyone wins, including TraceGains customers and employees.





Culture eats
strategy for
breakfast.

—PETER DRUCKER



Choose a job you
love, and you will never
have to work a day
in your life.

—CONFUCIUS



05

We Take Your Career Development Seriously

We work hard to provide a great onboarding experience.

Getting up to speed as a team member hasn't always been easy. In the past, we didn't have a structured onboarding process, which made life frustrating at times. Today, all new team members receive a detailed onboarding plan. We map out the first week to ensure you come up to speed quickly. Our managers focus on working closely with new team members to make the first year here as productive and rewarding as possible. To take one example, we've built an internal version of TraceGains Academy with an array of content that walks new hires through onboarding and provides ongoing education for experienced team members. This does more than just educate employees; it imparts a sense of belonging and ownership.

We map career paths for all departments.

Many employees have switched departments, earned promotions, or moved into new roles throughout our history. We encourage this because it's one way to keep great people. So, we've drafted detailed job descriptions for all positions and mapped out typical progression paths for those interested in moving to different roles over time. Our goal is simple: make career paths as transparent and realistic as possible. We didn't stop there. We established a mentorship program to foster prospective managers and encourage professional development by subsidizing third-party training.

We prefer to promote from within.

The more we grow, the better our odds of identifying a team member who merits a promotion. Our preference is to promote from within whenever possible. We post all positions publicly so everyone's aware of every opportunity. Many team members have earned promotions, and we're always eager to make it happen again.



**The most
important
attributes for
career success
are a growth
mindset
and taking
ownership.**

A specific frame of mind works incredibly well in a successful company:

A growth mindset

Of course, definitions vary, but common attributes include:

- Intellectual curiosity
- A desire to learn new things and take on new challenges
- A willingness to grow and change
- A bias to action
- A willingness to take calculated risks

These attributes are fantastic levers for career development and advancement. But, while we do a lot to create a positive environment for career development, you ultimately remain the quarterback of your career. So, you'll need to get off the bench and take the initiative at times.



Everyone talks about building a relationship with your customer. I think you build one with your **employees** first.

— ANGELA AHRENDTS





TraceGains Cares about You

**We care about our
employees.**

In addition to fostering career development, providing opportunities to give back, and encouraging fun... we do a lot more.

COMPENSATION

We understand the value of money. You have bills. We do, too. So, we stay up to date on market compensation data. Before creating a new opening, we run the latest market research and provide transparency by posting our salary ranges on all job descriptions for internal and external candidates.

Have questions about compensation? We have an open-door policy.

FLEXIBLE & REMOTE WORK

First and foremost, no one is required to work onsite at our Colorado headquarters. Instead, you can choose to work from wherever you're most productive. That can mean an office, at home, in a coffee shop, at the nearest library, or with your toes buried in the sand on a beach. If you have access to reliable internet and can get your work done, that's all that matters.

TraceGains has offered flexible work for some time now. For example, do you have a doctor's appointment on a Tuesday morning? What about a vet appointment or family reunion late on a Friday afternoon? Don't use PTO for these one- or two-hour events. Instead, speak with your manager and make up the hours another time. This flexibility allows our employees to use PTO when they need half or full days off.

BENEFITS

TraceGains pays 100% of the employee's medical and dental monthly premiums. New employees are eligible for benefits on the first of the month following their start date.

As we've grown, we've continuously added funds and resources to give back to our employees because investing in team members makes us all stronger. We're constantly assessing our benefits to ensure we offer the best for our employees.

401(K) EMPLOYER MATCH

We offer both traditional and Roth 401(k) investment options, which you're eligible for on the first of the month following your start date. In addition, TraceGains offers a contribution match of up to 3% of the eligible employee's gross income per pay period.

PROFIT-SHARING

TraceGains shares its success through our employee bonus program. Management calculates bonuses based on company performance, department objectives, and personal goals. To learn about the bonus offering for a particular role, reach out to the member of HR facilitating your interview process.



Together.



TRACEGAINS