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SP Policy

SP aligns with the U.S. Federal and State policies as well as UN Guiding Principles on Business and Human Rights (UNGPs), SP bases our human rights policy commitments on the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work. We follow the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and are committed to upholding the 10 internationally recognized principles of the United Nations Global Compact (UNGC), including those related to respect for human rights.


SP Goal

We believe that dignity and respect for people is essential in business. Respect for people is one of our core values, as described in our company's Code of Conduct (Our Values & Standards). We strive to avoid causing or contributing to adverse human rights impacts through our own activities and seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations and products. Our Responsibility We take our responsibility to respect human rights seriously. For this reason, respect for human rights is reflected and embedded in our Code of Conduct (Our Values & Standards) and several our Corporate Policies. Our Code of Conduct and (Our Values and Standards) Corporate Policies serve as our standards of conduct, which we use to navigate the decisions and actions that we face.

SP Practices

Within SP's operations, we work to meet our responsibility to respect human rights by:

- **Equal Opportunity:** Promoting equal opportunity for our employees irrespective of skin color, race, nationality, disabilities, religion, sexual orientation, citizenship, sex or age or any other characteristic protected by law.
- **Health & Safety:** Providing a safe and health workplace for our employees. We value the safety and security of every employee and are committed to maintaining healthy working conditions and strict safety practices.
- **Non-Discrimination:** Refusing to tolerate discrimination or harassment based on race, color, gender, age, religion, origin, ethnicity, disability, sexual orientation, or any other characteristic protected by law.
- **Wages and Benefits:** Compensating employees competitively relative to others in our industry, and by operating in compliance with applicable wage, work hours, overtime and benefit laws.
- **No Child Labor:** Prohibiting the use of exploitative child labor. Employment of young workers under the age of 18 is only allowed if the individual is above the country's legal age of employment.

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- Human trafficking & Forced Labor: Expressly prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, slave labor and any form of human trafficking.
- **Privacy:** Respecting each individual's personal dignity and privacy and rights

In short, SP prohibits all forms of human trafficking and forced and child labor in its operations and in the operations of all contractors, suppliers, and vendors in its supply chain. SP is committed to increasing awareness of these issues among its employees and suppliers and cooperating with law enforcement authorities to address any instances of exploitation.

Scope

This Policy applies to all SP employees and agents acting on behalf of the company. It also applies to all of SP's contractors, suppliers, and vendors.

Expectations

SP expects all persons and entities to whom this Policy applies to:


- Understand and comply with this Policy and all applicable Anti-Human Trafficking laws;
- Complete training on this Policy upon hiring and onboarding;
- Attend annual training sessions relating to this Policy;
- Report any possible violations regarding this Policy or any applicable Anti-Human Trafficking Laws through any of the resources available at SP, as described by the reporting section of this Policy; and
- Cooperate fully with any trafficking-related audits and investigations.

Training

Awareness of this Policy and methods of reporting potential human trafficking violations are critical to the success of the program. During onboarding with SP, and at least annually thereafter, employees are provided a copy of this Policy. Copies of the policy will be provided in the employee's native and/or preferred language. The copy of the policy provide will detail the process for reporting suspected violations of the policy as well as consequences for violating the policy. Each employee is required to certify by signature that they have received a copy of the policy and understand its contents. If an employee indicates that he cannot read, the policy will be read to the employee with the assistance of an interpreter in his or her native and/or preferred language.

Also, SP maintains an employee handbook. The handbook describes the anti-human trafficking policy, reporting procedures, disciplinary actions, and procedures for violations of this policy.

SP employees responsible for procurement and supply chain management receive additional training on mitigating risks within supply chains.

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SP Supply Chain Standards

SP uses various suppliers, vendors, and contractors as part of its regular operations. This Policy applies to those suppliers, vendors, and contractors.

We set high standards for conducting business ethically and in accordance with the law. We expect the same commitment from our Suppliers, and supplier organizations that provide our company with services, raw materials, active ingredients, components, finished goods or other products.

Many of our supply chain and quality risk standard practices are required programs within the Biomedical and Pharmaceutical Industry and for generally accepted best practices with respect to a Responsible and Ethical Supply Chain Management program.

Within our supply chain, we work to meet our responsibility to respect human rights by:

Sourcing & Qualification: Partnering with suppliers that are socially responsible and who share our company's commitment to ethics and integrity.

Supplier Expectations: Communicating our expectations of suppliers. We communicate our expectations for Ethical Materials Sourcing, Human Rights, Labor & Employment.

Risk Assessments: Conducting appropriate supplier risk assessments and determining the risks – including those related human rights, prior to entering a business relationship with a supplier, to evaluate if our suppliers can meet our company's expectations.


Supplier Agreements: Commitments from suppliers to adhere to our Master Supply Agreement through our contracts and agreements.

Auditing & Surveillance: Conducting Supplier Quality and Social Governance Audits and surveillance surveys at supplier facilities to verify their compliance with our company's expectations; and by working with them to address identified compliance gaps.

Managing & Monitoring: Through our Supplier Management processes, we manage and monitor our suppliers to ensure that they continue to meet our company's expectations. We hold suppliers accountable for meeting their contractual obligations and take appropriate action to address those that do not.

Responsible Sourcing: Maintaining Conflict Minerals CMRT survey procedures to ensure responsible sourcing of minerals. Our goal is to avoid knowingly, through our supply chain finished goods and raw materials where the source of minerals (e.g., tin, tantalum, tungsten and gold) that directly or indirectly finance or benefit armed groups or perpetrators of serious human rights abuses.

Selection of SP's suppliers is conducted through technical, cost and delivery competency and also assessed for risk and compliance to anti-human trafficking and slavery compliance through survey and declarations of due diligence. Prior to engaging a new vendor, supplier, or

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contractor, the a risk assessment and background check is conducted as a part of the active engagement of potential new suppliers and re-engagement of existing suppliers. SP's procedures include vetting requirements that relate to human trafficking and forced or child labor, including the vendor or supplier's hiring practices and use of labor recruiters.

As new suppliers and vendors are selected, SP requires pertinent certification of compliance as part of new supplier set-up. **See Code of Conduct.** Suppliers and vendors must also certify that they will monitor, detect, and terminate any agent, subcontract or contractor employee engaging in prohibited activities, and, after having conducted due diligence, either (a) to the best of the supplier or vender's knowledge and belief, neither it nor any of its agents, contractors, or their agents is engaged in any such activities; or (b) if abuses relating to any of the prohibited activities have been found, the supplier or vendor, or its lower-tier contractor, has taken the appropriate remedial and referral actions. See Certification of Due Diligence.

Any indication that suppliers or vendors are potentially engaged in trafficking-related activities will be investigated and reported to law enforcement as appropriate.

Additionally, SP ensures awareness training for its Supply and Procurement Professionals to include 3rd party contracted firms that visit vendors' and suppliers' premises on recognizing signs of human trafficking and the appropriate action to take if human trafficking is suspected.

Failure to comply with this Policy is grounds for SP to take any and all appropriate actions, up to and including immediate termination of that supplier's or vendor's contract or relationship with SP.

Reporting


SP is committed to providing a safe and easy means of reporting suspected human trafficking activity.

Employees and agents are required to report suspected human trafficking activities, and should do so anonymously by notifying SP via the ethics hotline.

Every effort will be made to protect the reporter's identity by our hotline vendor. However, please note that the information provided in a hotline report may be the basis of an internal and/or external investigation by SP Industries into the issue being reported. It is possible that as a result of the information provided in a report, that the reporter's identity may become known to us during the course of our investigation.

There are several ways to file a report:

- **Website:** www.lighthouse-services.com/spindustries
- **Toll Free Direct Dial**
 - **English speaking USA: 833-510-0077**
 - **Spanish speaking USA: 800-216-1288**

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- **All other countries: 800-603-2869** (must dial country access code first [click here](#) for access codes and dialing instructions)
- **For UK Employees – see access codes below**
 - British Telecom 0-800-89-0011
 - C&W 0-500-89-0011
- **E-mail: reports@lighthouse-services.com (Note: Must include company name “SP” in the report)**


Employees & Suppliers also may report suspected human trafficking activities directly to:

1. The Global Human Trafficking Hotline by calling 1-844-888-FREE or by e-mail at help@befree.org
2. The Modern Slavery Helpline <https://www.modernslaveryhelpline.org/> NSPCC - **08000 121 700**. The number is free to call and is available 24 hours a day, 7 days a week.
3. Local law enforcement by calling the National Human Trafficking Resource Center. (The NHTRC is not a law enforcement or immigration authority and is operating by a nongovernmental organization)
4. **Call the National Human Trafficking Hotline toll-free hotline at 1-888-373-7888:** Anti-Trafficking Hotline Advocates are available 24/7 to take reports of potential human trafficking.
5. **Text the National Human Trafficking Hotline at 233733.** Message and data rates may apply.
6. **Chat the National Human Trafficking Hotline via www.humantraffickinghotline.org/chat**
7. **Submit a tip online through the anonymous online <https://humantraffickinghotline.org/report-trafficking>**
8. **Spain: SPAIN Institut de la Femme 900 191 010, 900 152 152**

Methods of reporting to the NHTRC are anonymous.

All reports of suspected human trafficking activities or forced labor, from any source, are investigated.

SP prohibits retaliation against employees who report suspected violations of human trafficking and forced labor laws. Concerns about retaliation should be promptly reported to the employee's supervisor or the Human Resources Department. The complaint will be promptly investigated, and appropriate disciplinary action, up to and including termination, will be taken.

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Cooperation

SP will cooperate fully with any federal agency conducting an audit or investigation of potential anti-trafficking violations. Such cooperation shall include providing reasonable access to SP's facilities and staff and providing timely and complete responses to the auditor's or investigator's requests for documents.

Also, SP will protect all employees suspected of being victims of or witnesses to prohibited activities, prior to returning to the country from which the employee was recruited. SP will not prevent or hinder the ability of these employees from cooperating fully with Government authorities.

Remediation

When violations are found through an internal investigation or third party, SP will take corrective action and preventative measures commensurate with the severity of the violation to prevent risk of reoccurrence.


Annual Statement

On an annual basis to comply with the U.K.'s Modern Slavery Act of 2015, SP will prepare a statement describing its efforts to ensure that human trafficking is not taking place in its business or supply chain. The statement will be posted on SP's webpage with this policy and will include the following information:

1. The organization's structure, business and supply chains
2. Policies on slavery and human trafficking
3. Due diligence processes for detecting and eradicating slavery and human trafficking in its business and supply chains
4. Parts of the business that are at high risk for slavery and human trafficking and the steps taken to manage that risk
5. The organization's effectiveness in ensuring slavery and human trafficking do not occur in its business and supply chains
6. Training available to staff related to slavery and human trafficking

SP's annual statement under the UK's Modern Slavery Act also will serve to disclose what efforts SP has made to eradicate human trafficking in its direct supply chain, as required by the California Transparency in Supply Chains Act of 2010. While there is some overlap between the two statutes, the statement will disclose to what extent SP:

1. Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.
2. Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.

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3. Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.
4. Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.
5. Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

Monitor, Audit, and Assess


While this Policy reflects the current risks associated with SP's operations, no effective program can remain static. Accordingly, SP will continue to monitor, audit, and assess its program. These tasks will be the responsibility of SP working directly with outside counsel specializing in the area of anti-human trafficking efforts. At the end of each fiscal year, SP will conduct an audit of the anti-human trafficking program. In conjunction with this audit, SP will assess the risks within its supply chain to determine if modifications to the program are needed.

Posting

This Policy will be posted at all fixed work locations and on our website at www.spindustries.com. If posting this policy at the workplace is impracticable, SP will provide the Policy to each worker in writing (in his/her preferred language).

Questions

Questions regarding SP's policy against human trafficking and forced labor should be directed to the employee's supervisor or the Human Resources Department. Any complaint will be promptly investigated.

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