



## **California Transparency in Supply Chains Act of 2010**

Fluidmaster is committed to the ethical and responsible sourcing of goods and materials. Fluidmaster's Supplier Quality Manual documents the specific terms and conditions of supplier conduct and Fluidmaster's expectations of its supply chain. This disclosure is provided in accordance with the California Transparency in Supply Chains Act of 2010.

### **Verification**

Fluidmaster engages in the verification of its supply chain by requiring all suppliers to complete a supplier audit profile, and be subjected to a self-audit questionnaire and an onsite evaluation, where required, to evaluate candidate suppliers effectiveness and compliance with Fluidmaster's requirements and expectations. On-site evaluations are performed on an approximately three year rotating basis. All suppliers must comply with all laws and regulations regarding slavery, human trafficking, labor standards, and human rights expectations. Suppliers must follow U.S. Customs and security guidelines for C-TPAT if involved in importing goods to the United States of America.

### **Audits**

Fluidmaster conducts audits of supplier candidates during the qualification process and audits its existing supply base as needed. Approximately 30% of the existing supply base is audited each year. Most announced supplier site audits are conducted by Fluidmaster personnel; however, third party audits are conducted on major suppliers of purchased finished goods. Fluidmaster reserves the right to also perform unannounced on-site audits of its supply base. Areas of audit include personnel, wage and time, and require suppliers to ensure compliance with all applicable government and safety regulations.

### **Certifications**

Prior to being awarded business from Fluidmaster all new suppliers are provided a copy of Fluidmaster's Supplier Quality Manual and are required to execute the Acknowledgement Form certifying that the supplier agrees to comply with its content and Fluidmaster's expectations. This includes suppliers certifying that they follow the laws, security guidelines, labor standards, and human rights expectations of the countries where their operations are located. Suppliers must also ensure that their own supply base supports compliance with Fluidmaster's expectations. When importing goods to Fluidmaster locations suppliers must follow applicable

customs security guidelines. Suppliers are further required to provide a letter from an authorized company officer to certify that the supplier has security processes and practices consistent with the C-TPAT security criteria and provide evidence that they are annually completing a security risk assessment.

### **Accountability**

Fluidmaster's internal accountability standards are documented in its Business Conduct Guidelines. Employment at Fluidmaster is dependent on compliance with these guidelines which include compliance with all applicable laws and observance of moral and ethical standards of society. The Supplier Quality and Global Sourcing departments are responsible for Supplier Quality Manual implementation, and have authority to ensure all suppliers meet and fulfill requirements.

### **Training**

Fluidmaster is in the process of implementing specific training focused on slavery and human trafficking in supply chains for all salaried employees with responsibility for supply chain and quality.