

California Transparency in Supply Chains Act

The California Transparency in Supply Chains Act requires certain manufacturers doing business in California to disclose their efforts to eradicate slavery and human trafficking from their supply chains.

All CAES companies (i.e., CAES Systems LLC, Colorado Engineering Inc., and CAES Mission Systems LLC, collectively, "CAES") are committed to ensuring that its employees and suppliers take appropriate measures to mitigate the risk of slavery and human trafficking from occurring in any aspect of its business and supply chain.

Verification

CAES verifies product supply chains through several methods, including site evaluations, inspections, verification of government debarments and denied parties lists, and others. CAES requires as a condition of contract that all suppliers agree to comply with all applicable laws and regulations.

Audits

CAES maintains an ethics helpline at 1-844-850-6484. Anyone who observes conduct contrary to the principles set forth in CAES' Code of Business Conduct may call the Ethics helpline number that is referenced in all supply contracts. CAES promptly investigates all reported matters and takes action as needed, including disclosure to government authorities, as appropriate. CAES does not, however, conduct audits of suppliers to evaluate supplier compliance with specific standards for trafficking and slavery in supply chains.

Supplier Certification

CAES requires as a condition of contract that all suppliers comply with applicable laws and regulations, but does not require suppliers to certify expressly 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.

CAES also requires as a condition of contract that all suppliers comply with CAES' Supplier Code of Conduct. The Supplier Code of Conduct sets forth CAES' expectations for its suppliers with respect to CAES' commitment to the highest standards of ethics and business conduct. It includes the following provisions:

Human Rights: We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture.

Child Labor: We expect our suppliers to ensure that illegal child labor is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed.

Human Trafficking: Suppliers must adhere to regulations prohibiting human trafficking and comply with all applicable laws in the country or countries in which they operate.

Internal Accountability

CAES maintains internal accountability standards and procedures for employees or suppliers failing to meet company standards regarding slavery and trafficking. CAES has implemented internal

policies addressing this requirement, including the CAES Code of Business Conduct and Combatting Trafficking in Persons Policy.

CAES' Code of Business Conduct states that CAES opposes human trafficking in all its forms and seeks to identify and eradicate its occurrence within our own operations and within our supply chain wherever possible through a due diligence process. It also states that we expect our suppliers to work likewise towards implementing operations and supply chains that are free from modern slavery and human trafficking.

CAES' Trafficking in Persons Policy has sets forth the company's policy of zero tolerance with regard to actions that do not comply with FAR 52.222-50 and states that a violation of the policy will result in disciplinary action up to and including termination. It also provides avenues through which employees may, without fear of retaliation, report possible violations of the policy.

Training

CAES requires all employees, including management, to complete training on the Code of Business Conduct, which addresses CAES' expectations with regard to human trafficking, on an annual basis. Further, employees are also required to acknowledge that they "read and understand and agree to comply with the CAES Code of Business Conduct."