

## **Slavery and Human Trafficking in Supply Chains** **The California Transparency in Supply Chains Act**

We are committed to doing business only with suppliers that share our concern regarding the lawful and ethical manufacturing of products. To that end, we support the objectives of the California Transparency in Supply Chains Act of 2010 (the "CTSCA"). Our efforts to eradicate slavery and human trafficking from our direct supply chain include the following:

### **Verification**

We engage in efforts to verify that products received from our supply chain are not produced by slavery or human trafficking. At the present time, verification is generally conducted by our employees and not by an independent third party.

Verification efforts include audits of direct suppliers as well as other measures described in this policy statement. We use the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor report as one of the criteria that help us prioritize scheduling of supplier quality audits.

### **Auditing**

We evaluate compliance by our direct suppliers with laws regarding trafficking, slavery, and child/forced labor as part of regular supplier quality audits. At the present time, audits are scheduled in advance with direct suppliers and conducted by our own employees. All relevant company personnel performing audits are trained to recognize EH&S and labor red flags, including those relating to human trafficking. In some cases, third party auditors may be used. Our quality and sourcing personnel also are instructed to follow an "eyes always open" approach at all times.

### **Certification**

In 2012 we implemented a program requesting direct suppliers that supply materials and products to Mile High Equipment to certify the items supplied are made in full compliance with child labor, forced labor, slavery, and human trafficking laws in all countries in which they are doing business. This certification is one of the factors considered in our supplier selection process.

### **Accountability**

We maintain internal accountability standards and procedures for employees and contractors failing to meet company standards regarding slavery and trafficking. Employees who obtain information that may indicate a supplier is engaged in human trafficking, forced labor, or child labor in violation of laws in the countries in which the supplier is doing business must promptly contact the Vice President of Human Resources for Scotsman Industries who is responsible for investigating and coordinating corrective action.

### **Training**

The company intends to implement formal training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chain, for employees and management who have direct responsibility for supply chain management beginning in 2013.