## **HYDRAFLOW**

## The California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act of 2015 Statement

The California Transparency in Supply Chains Act of 2010 requires certain retailers and manufacturers doing business in California to provide information regarding their efforts to eliminate slavery and human trafficking in their supply chains. The UK Modern Slavery Act of 2015 requires certain companies carrying on business in the UK to publish a statement describing steps taken to ensure modern forms of slavery and human trafficking are not taking place in the company's business operations and supply chains.

Hydraflow is known for its commitment to quality and for its reputation that values integrity, respect, truthfulness and a strong commitment to the highest ethical standards. These principles apply to employee interactions with coworkers, customers, vendors and the general public. Hydraflow has an established Code of Conduct and Ethics that requires its employees always act lawfully and ethically and follow all applicable laws, rules and regulations at all times. Hydraflow also has an established Human Trafficking Policy that strictly prohibits employees, independent contractors, subcontractors, subcontractor employees and agents from engaging in human trafficking-related activities.

Hydraflow is committed to conducting business in a lawful, ethical and responsible manner and expects its suppliers do the same.

In compliance with the Acts, Hydraflow discloses the following:

**Verification.** Hydraflow purchases supplies and services from suppliers. Hydraflow generally verifies its supply chain by doing business with suppliers that are well-established and reputable and requires that its suppliers respect and abide by the legal requirements of the jurisdictions in which they operate. Hydraflow believes its suppliers do not engage in slavery or human trafficking, but Hydraflow does not engage in verification activities to identify, assess and manage the risk of slavery and human trafficking in its supply chain, and Hydraflow does not use a third-party verifier to do so.

**Audit.** Hydraflow expects all of its suppliers to comply at all times with applicable laws, including laws regarding slavery and human trafficking, and to engage in honest and ethical business conduct. Hydraflow will take immediate action if it discovers a supplier is engaging in illegal activity, including slavery or human trafficking. Hydraflow does not conduct audits of its suppliers to evaluate supplier compliance with company standards for slavery and human trafficking.

**Certification.** As stated above, Hydraflow does business with suppliers that are reputable and that, to Hydraflow's knowledge, are in compliance with the legal requirements of the jurisdictions in which they operate. Hydraflow does not require direct suppliers to certify that materials incorporated into Hydraflow products comply with laws regarding slavery and human trafficking of the country in which they are doing business.

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**Internal Accountability.** Hydraflow has an established Code of Conduct and Ethics that requires its employees to always act lawfully and ethically and follow all applicable laws, rules and regulations at all times. Hydraflow also has an established Human Trafficking Policy that strictly prohibits employees from engaging in human trafficking-related activities. Violations of these policies may result in disciplinary action, up to and including termination of employment, or other legal action, including disclosure to government officials, as appropriate.

**Training.** Hydraflow does not currently provide employees and management, who have a direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.