

California Transparency in Supply Chains Act of 2010

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) went into effect in California. Under the law, large manufacturers and retailers are required to disclose their efforts to eradicate slavery and human trafficking within their supply chains. The law's underlying purpose is to educate consumers, so they can make informed decisions and purchase goods from companies that responsibly manage their supply chains.

FLIR is committed to ensuring that our supply chain reflects FLIR values and respect for human rights and the environment. FLIR prohibits any form of forced labor, including slavery and human trafficking. This is a zero tolerance issue. More information regarding FLIR's programs to effectively mitigate the risks of slavery and human trafficking throughout our supply chain is available below.

Internal Accountability Standards

FLIR maintains a supplier code of conduct for all of our suppliers, which is incorporated by reference into our purchase orders, supply agreements, and terms and conditions. Suppliers that fail to adhere to our standards are subject to termination. A copy of the supplier code of conduct is available [here](#).

In addition, when acting as a U.S. Government contractor or subcontractor, FLIR is governed by and complies with Federal Acquisition Regulation (FAR) 52.222-50, "Combating Trafficking in Persons." FAR 52.222-50 imposes the U.S. Government's "zero tolerance policy on human trafficking" on its contractors and their subcontractors. The regulation prohibits U.S. Government contractors and subcontractors from utilizing "forced labor" or engaging in "severe forms of trafficking in persons" during the performance of the contract or subcontract. Violations of this regulation can result in substantial monetary and non-monetary penalties. In accordance with the terms and conditions in applicable Government contracts, FLIR complies with these requirements regarding trafficking in persons and forced labor. FLIR also flows down to its suppliers these requirements.

Certification of Compliance with Laws

FLIR's direct suppliers are required both to comply with applicable laws and regulations and also adhere to FLIR's values and standards of business conduct. FLIR considers this not only a legal issue but an ethical obligation for everyone associated with FLIR. FLIR has created a standard questionnaire that requires each supplier to self-certify that it does not engage in illegal activities in the country or countries where the supplier does business, including but not limited to compliance with human trafficking and slavery laws. FLIR is working with each of its sites to ensure that each site utilizes this questionnaire.

Auditing and Verification of Product Supply Chains

FLIR sites conduct supplier audits on an as-needed basis based on the level of business or strategic relationship with the supplier. There is currently no standard form for auditing

suppliers by FLIR personnel; however, FLIR plans to standardize the auditing process in the near future. The audits that are conducted are not independent and unannounced.

Audits are generally focused on quality management systems and have not historically included human trafficking and slavery components. FLIR, however, maintains the right to audit suppliers regarding human trafficking and slavery. Furthermore, in-house verifications in the form of business reviews are conducted on a periodic basis to review performance against our business requirements, including the supplier code of conduct.

FLIR Employee and Management Training

FLIR has taken appropriate actions to ensure that employees and management are aware of issues related to human trafficking and slavery within our supply chain. We plan to implement additional training related to identifying and addressing risks of slavery and trafficking in our supply chain. In keeping with our commitment to ethics, integrity and corporate governance, FLIR also maintains a robust, broad-based ethics and compliance program. This program addresses values, leadership, training, audits, certifications, and accountability. This program is intended to ensure compliance with applicable laws and a culture committed to ethics and integrity in all we do.