



CALIFORNIA SUPPLY CHAINS ACT DISCLOSURE

POLICY STATEMENT

Evapco, Inc. is a leading manufacturer of heat exchange equipment used in commercial HVAC, industrial refrigeration, and other applications. We have six manufacturing operations in the United States: Madera, CA, Bryan, TX, Lakeview, IA, Greenup, IL, Ramseur, NC and Taneytown, MD. With very few exceptions, the Evapco products sold in North America are manufactured in one of these six locations by skilled workers earning good wages and benefits. Thus, by far most of the labor that goes into an Evapco product is performed by a worker in the U.S. earning compensation that meets or exceeds industry standards. In addition, Evapco requires that its suppliers confirm compliance with all applicable laws when producing components they provide to Evapco, which includes confirming compliance with any laws prohibiting the use of forced labor, human trafficking, and slavery.

VERIFICATION

Evapco is committed to fair labor practices within our supply chain. That said, because our products are manufactured in the U.S., and we obtain most of our component parts from U.S. companies, we do not engage a third-party monitor to identify and evaluate the potential risks for human trafficking and slavery in our supply chain. When the company is considering adding a new supplier to our chain, we will assess the potential risks associated with prohibited labor practices. This is based on the particular component that will be supplied, the location of the supplier, and any third-party reports that could identify potential risks in engaging the supplier. If we identify heightened risk in partnering with the supplier, we will investigate further as needed to ensure the supplier will be a responsible business partner.

AUDITS

At present, based on the nature of our business as a domestic manufacturer, and based on our histories with our key component suppliers, Evapco does not conduct periodic supplier audits for the purpose of verifying compliance with laws prohibiting forced labor, human trafficking and slavery. At this point we are confident that there is only a slight risk that any components are made using illegal labor sources. We know our suppliers well, and as stated, the bulk of the labor that goes into our products is conducted in our U.S. manufacturing operations, where there is no risk of using illegal labor sources. If our supply chain changes, we will continually assess the associated risks and re-evaluate whether audits are necessary.

CERTIFICATION

Evapco's standard terms and conditions require that suppliers confirm that their compliance with applicable laws and regulations, which includes compliance with laws prohibiting forced labor, human trafficking and slavery. At present, given Evapco's knowledge of its suppliers and the fact that most of the labor in manufacturing the products takes place in the U.S., Evapco does not require further certification from its suppliers concerning labor sources.

INTERNAL ACCOUNTABILITY and TRAINING

Evapco has a specific purchasing and supply department that manages relationships with suppliers. The department enforces Evapco's supply policies, which includes a policy prohibiting relationships with companies that used forced or slave labor, or engage in human trafficking. If the department becomes aware that a supplier is or may be violating this policy, the issue with the supplier will be addressed immediately and swift corrective action will be required or the supply relationship will be terminated.

When a new employee is added to the purchasing and supply department, they receive training to educate them on the dangers of relationships with non-compliant suppliers, the risk factors that can provide tips to identifying non-compliant suppliers, and information on what to do if they become aware of a non-compliance.