

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Modern Slavery Act of 2015

The Modern Slavery Act of 2015 requires suppliers of goods or services that have a global total turnover exceeding £36 million to provide a slavery and human trafficking statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business. The law's intent was to increase consumers' knowledge about products they purchase and the companies they choose to support. In order to solidify our commitment, we have begun the process of establishing a program that would help prevent human trafficking and slave labor in the supply chain.

Organisation Structure

We are a global manufacturer operating in various sectors. We are the parent company of IDEAL INDUSTRIES Networks, Casella, IDEAL Electric, Anderson Power Products, SK Hand Tool, Western Forge and Pratt-Read (**Group**). The Group has over 1143 employees worldwide and operates in 12 countries.

Further information on our business and our supply chains can be found on the following link <http://www.idealindustries.com>.

Verification

IDEAL INDUSTRIES, INC. (**IDEAL**) recognizes the importance of responsible supplier selection, and conducting business with suppliers that reflect our commitment to integrity, ethical business practices and social responsibility. Although we do not have a formal verification program, we require our suppliers, their employees, agents and sub-suppliers to operate in accordance with the principles and ethical standards outlined in our [Supplier Code of Conduct](#). The Supplier Code requires all our suppliers comply with all applicable laws, rules and regulations and that they adhere to the Supplier Code regarding labor and human rights (including slavery and human trafficking), health and safety, environmental protection, business ethics and management practices.

Audits

In order to monitor Supplier compliance with our Supplier Code of Conduct, we will conduct audits of suppliers on an annual basis by submitting self-assessment questionnaires, whereby responses will be required and reviewed by IDEAL. Where concerns are identified, IDEAL may pursue prompt, thorough investigations, and may require corrective action plans or terminate suppliers. Supplier participation in the audits is mandatory as a condition of doing business with IDEAL, and we require suppliers to certify that they are in compliance. We have reserved the right to investigate instances of non-compliance with our Supplier Code or laws on human trafficking and slavery, which may include a supplier site audit. Failure to comply with the Supplier Code of Conduct, or failure to resolve a non-compliance issue, may result in the termination of the business relationship with the non-complaint supplier. We do not engage third parties to evaluate supplier compliance with human trafficking or slave labor laws and generally do not engage in unannounced audits.

Supplier Certification

We currently require our suppliers, either through written agreements and/or purchase order terms and conditions, to comply with all applicable laws, which would include those concerning slavery and human trafficking. We require suppliers to certify compliance with our Supplier Code of Conduct, including certification that materials and products comply with laws regarding slavery and human trafficking.

Accountability

IDEAL maintains internal accountability standards and procedures applicable to employees, contractors, suppliers, or agents who fail to meet our standards. We are dedicated to a safe, legal and respectful workplace and our Business Conduct policy encourages and provides a mechanism for reporting any suspected ethical violations or illegal activity either directly or anonymously through a phone and internet based reporting system. Upon hire, all employees are required to read and acknowledge receipt and understanding of our Business Conduct policy. Our Business Conduct policy includes, among other things, certification that the employee will comply with all applicable laws and regulations. Employees who violate laws or company policies would be subject to disciplinary action, up to and including termination.

Similarly, suppliers must comply with our Supplier Code of Conduct. Should they fail to comply with applicable laws or fail to address non-compliance in a timely manner, we reserve the right to terminate the business relationship and refer the matter to the appropriate legal authorities. As part of our developing supply chain compliance program, we will continue to implement processes and procedures that hold suppliers accountable in all areas, including labor and material sourcing.

Training

IDEAL does not currently provide training to employees or management on eradicating human trafficking and slavery. However, IDEAL is in the process of training employees and management who have direct responsibility for the supply chain to review audit responses, audit suppliers for compliance with our Supplier Code of Conduct, or to report any potential issues involving human trafficking and slavery for further investigation.

Additionally, as previously stated, our employees are subject to the standards outlined in our Business Code policy, where we require an annual re-certification from our employees that they have read, understand and will adhere to our Business Conduct policy, which requires a general compliance with all laws.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 2016.

BY:

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James V. James, Chairman and CEO
IDEAL INDUSTRIES, INC.

Date: January 1, 2016