

Combating Trafficking in Persons Policy & Compliance Plan

INTRODUCTION

ACT is opposed to the acts of modern day slavery and human trafficking in any form. We are committed to ensuring that our employees, agents, suppliers and subcontractors take the appropriate steps to mitigate the risk of modern day slavery and human trafficking from occurring in any aspect of our business and our supply chain. The U.S. Government has a zero-tolerance policy regarding any Government employees and contractor personnel and their agents engaging in any severe form of trafficking in persons. ACT stands behind and wholeheartedly supports this zero-tolerance policy.

The following introduces ACT's Combating Trafficking in Persons Policy and Compliance plan, as required by FAR 52.222-50(h), based upon the size and complexity of ACT's contracts and the scope of ACT's activities.

Additional information about the awareness of trafficking in persons may be found at the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons website at www.state.gov/j/tip.

DEFINED TERMS

"Agent" – Any individual, including a director, officer, an employee, or an independent contractor, authorized to act on behalf of the organization.

"Commercial Sex Act" – Any sex act on account of which anything of value is given to or received by any person.

"Employee" – An employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

"Human Trafficking" – The recruitment, harboring, transportation, transfer, or receipt of persons by means of abduction, fraud, coercion, deception, or abuse of power of a position of vulnerability for the purpose of exploitation.

"Subcontractor" – Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

"Severe Form of Trafficking in Persons" – Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has

not attained 18 years of age; or the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

Terms not specifically defined herein shall have the meanings prescribed in FAR 52.222-50 Combating Trafficking in Persons (http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/fardfars/far/52_220.htm#P810_149621).

SCOPE

This Combating Trafficking in Persons Policy and Compliance Plan (“Policy and Plan”) applies to employees, subcontractors, subcontractor employees and agents of Advanced Conversion Technology (“ACT”) and its operating subsidiaries, and the ACT company office performing work under a federal contract subject to Federal Acquisition Regulation (hereafter “FAR”) 52.222-50 – Combating Trafficking in Persons and/or Defense Federal Acquisition Regulation Supplement (hereafter “DFARS”) 252.203-7004 – Display of Hotline Posters, and/or 252.225-7040 – Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States, in each case as applicable.

POLICY

This Policy and Plan sets forth ACT’s policy against trafficking in persons and in trafficking in persons compliance plan in compliance with FAR 52.222-50. This policy and plan are consistent with the ACT Standards of Conduct and ACT core values of practicing respect for all people and conducting ourselves in an ethical, lawful manner.

ACT is opposed to all forms of human trafficking, slavery, servitude, forced or compulsory labor and all other trafficking-related activities. ACT is committed to (a) fully complying with all applicable labor and employment laws, rules and regulations and (b) working to mitigate the risk of human trafficking in our business and supply chains.

The United States has long had a policy prohibiting government employees and contractor personnel from engaging in trafficking in persons activities, including severe forms of trafficking in persons. The FAR prohibits federal contractors and subcontractors from engaging in prohibited practices such as destroying, concealing, confiscating, or otherwise denying access by an employee to his or her identity or immigration documents; using misleading or fraudulent recruitment practices; charging employee recruitment fees; and providing or arranging housing that fails to meet the host country housing and safety standards. ACT complies with, and requires that its employees, subcontractors, subcontractor employees and agents comply with FAR 52.222-50, which can be accessed at <http://www.acquisition.gov>.

ACT employees, subcontractors, subcontractor employees and agents (a) shall fully comply with all applicable labor and employment laws, rules and regulations, and (b) shall not:

- (1) Engage in severe forms of trafficking in persons;
- (2) Procure commercial sex acts;
- (3) Use forced labor;
- (4) Destroy, conceal, confiscate or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- (5) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work or use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- (6) Charge employees recruitment fees;
- (7) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment: (i) for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (for portions of contracts performed outside the United States); (ii) or for an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee)for portions of contracts performed inside the United States); except that:
 - (A) The requirements of this paragraph (7) shall not apply to an employee who is legally permitted to remain in the country of employment and who chooses to do so or exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation; or
 - (B) The requirements of this paragraph (7) are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. The contractor shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity. For example, the contractor shall not only offer

return transportation to a witness at a time when the witness is still needed to testify. This paragraph does not apply when the exemptions in this paragraph (7) apply.

- (8) Provide or arrange housing that fails to meet the host country housing and safety standards or if required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five (5) days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

DISCIPLINARY ACTION

ACT will take appropriate action against employees, subcontractors, subcontractor employees and agents that violate this Policy and Plan, which action may include, but is not limited to, the following, as applicable:

- (i) Removal of employees from the contract, or requiring the subcontractor to remove a subcontractor employee or employees from the contract;
- (ii) Reduction in employee benefits;
- (iii) Termination of employment;
- (iv) Declining to exercise available option under the contract;
- (v) Termination of the contract for default or cause, in accordance with the termination clause of the contract, or requiring the subcontractor to terminate a contract; or
- (vi) Termination of the business relationship with the subcontractor.

COMPLIANCE PLAN

ACT has established the following compliance plan in compliance with FAR 52.222-50(h):

A. Awareness Program

ACT makes this Policy and Plan available to employees performing work under a federal contract subject to FAR 52.222-50(h). ACT prominently displays the Department of Defense's

Combating Trafficking in Persons Hotline Poster in the common work areas within its operating subsidiaries performing work under a federal contract.

B. Grievance Mechanism

ACT personnel, subcontractors, subcontractor employees and agents are required to report any violations of or activity inconsistent with the U.S. Government's policy prohibiting trafficking in persons set forth in FAR 52.222-50(b), and may do so without fear of retaliation and subject to employee protection, if applicable, under U.S.C. 2409 as implemented in the DFARS subpart 203.9, by contacting their supervisor/manager, Human Resources Manager, Controller or President, and may also contact the Global Human Trafficking Hotline at 1-844-888-FREE or via email at help@befree.org.

C. Recruitment and Wages

ACT prohibits employees, subcontractors, subcontractor employees and agents from:

- (i) Using misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee and, if applicable, the hazardous nature or the work;
- (ii) Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place; and
- (iii) Charging employees recruitment fees.

In addition, ACT only permits the use of recruitment companies that provide proper training to employees, do not charge recruitment fees to employees, and that have established procedures to ensure that wages meet applicable host country legal requirements.

D. Housing

In the event ACT or a subcontractor intends to provide or arrange housing in connection with performing work under a federal contract subject to FAR 52.222-50(h), ACT, and if applicable, the subcontractor shall establish a housing plan for such work that ensures that the housing meets host-country housing and safety standards.

E. Compliance Procedures

In order to prevent agents and subcontractors at any tier and at any dollar values from engaging in trafficking in persons (including the activities identified in the U.S. Government's policy prohibiting trafficking in persons set forth in FAR 52.222-50(b)) and to monitor, detect, and terminate any agents, subcontracts, or subcontractor employees that have engaged in such activities, agents and subcontractors performing work under a federal contract subject to FAR 52.222-50(h) certify compliance with the regulation by their acceptance of ACT's Purchase Order. This certification is designed to provide ACT with sufficient information to adequately assess the practices of its agents and subcontractors with respect to combating trafficking in persons compliance. If ACT determines that there is a reasonable risk that an agent or subcontractor has engaged in trafficking in persons compliance. If ACT determines that there is a reasonable risk that an agent or subcontractor has engaged in trafficking in persons (including the activities identified in the U.S. Government's policy prohibiting trafficking in persons set forth in FAR 52.222-50(b)), or has otherwise violated FAR 52.222-50, ACT will determine and administer disciplinary action in accordance with the terms of this Policy and Plan.

F. Posting

This Policy and Plan shall be electronically posted for ACT workplaces and operating subsidiaries performing work under a federal contract on ACT's Intranet site at <http://act4234/intranet/> and company external website at <https://www.actpower.com>.

DOCUMENT CONTROL

Policy Owner	Version No.	Issue Date
Human Resources	1	5/1/19