Supplier Integrity & Compliance Report

Overview

Spike's Supplier Integrity & Compliance Report underscores our dedication to responsible sourcing, ethical business practices, and supply chain transparency. Through supplier audits, adherence to conflict-free mineral policies, and clear remediation actions for non-compliance, we uphold the highest standards of governance and sustainability. This report reflects Spike's ongoing commitment to building strong supplier partnerships rooted in ethics, accountability, and shared responsibility.

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Introduction

At Spike, responsible supply chain management is essential to our mission of delivering reliable, sustainable, and ethical electrical solutions. Our suppliers are integral partners in achieving these goals. We expect them to align with our values of service, respect, innovation, and excellence, while complying with applicable laws and international standards.

As highlighted in our Sustainability Report, Spike's approach emphasizes supply chain responsibility, sustainable procurement, vendor partnerships, and human rights protections. This Supplier Integrity & Compliance Report provides an overview of our Supplier Code of Conduct, audit outcomes, conflict-free sourcing policies, and remediation measures to ensure compliance across our value chain.

Supplier Code of Conduct

The Supplier Code of Conduct defines clear expectations for all Spike suppliers. It aligns with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and Spike's corporate ethics policies.

Key Principles:

- **Human Rights and Labor:** No forced labor, child labor, or human trafficking. Respect for dignity, fair wages, and safe working conditions.
- **Environmental Stewardship:** Suppliers must reduce waste, manage emissions responsibly, and use water efficiently in a manner that reflects our commitment to sustainability.
- **Conflict-Free Sourcing:** Materials must not contribute to armed conflict or human rights abuses.
- **Integrity and Transparency:** Prohibition of bribery, corruption, and fraudulent practices.
- **Compliance and Reporting:** Suppliers must comply with all applicable laws and maintain accurate records subject to audit.

Supplier Audits and Compliance Monitoring

Spike regularly audits suppliers to verify compliance with our standards. 72% of our tier-one suppliers underwent a compliance audit covering environmental, labor, and ethical practices. Audits are conducted by Spike's compliance team in collaboration with third-party specialists. We maintain 100% annual audit coverage of all local tier one suppliers.

Region	% Supplier Audited	Key Focus Areas
North America	80%	Health & safety, waste reduction
Latin America	60%	Labor rights, community impact
Asia-Pacific	70%	Conflict-free sourcing, water use
Europe	75%	Energy efficiency, governance
Global Avg.	72%	

Conflict-Free Minerals Policy

Spike is committed to sourcing minerals responsibly and avoiding contributions to conflict or human rights abuses. Our policy is aligned with the Dodd-Frank Act Section 1502 and OECD Due Diligence Guidance.

Conflict-Free Minerals Approach:

- Suppliers must disclose smelter and refinery sources.
- High-risk supply chains are subject to enhanced due diligence.
- Non-conforming suppliers are required to implement corrective action plans within a defined timeframe.

Case Example: In 2024, one supplier's disclosure identified gaps in traceability for tin sourcing. Spike required a third-party audit and supplier training program. Within six months, corrective actions were verified, and the supplier returned to approved status.

Remediation and Continuous Improvement

When non-compliance is identified, Spike applies a structured remediation process:

1. **Notification:** The supplier is informed in writing of the issue.
2. **Corrective Action Plan (CAP):** Supplier submits a remediation timeline with measurable steps.
3. **Capacity Building:** Spike provides training and resources where appropriate.
4. **Re-Audit:** Compliance is verified within 3-6 months.
5. **Escalation:** If unresolved, the supplier relationship may be suspended or terminated.

Issue Identified	% of Cases	Resolution Outcome
Labor and safety gaps	40%	Corrective training, re-audit successful
Environmental violations	25%	Technology upgrades, waste tracking
Traceability gaps	20%	Supplier disclosure improvements
Governance lapses	15%	Policy updates, ethics training

Governance and Oversight

Spike's Board of Directors maintains oversight of supply chain governance, ensuring alignment with ethical, environmental, and compliance standards and state and national laws. Regular reporting to the board reinforces accountability and drives transparency across the value chain.

We believe responsible sourcing is not only a compliance requirement but also an opportunity to lead in sustainable manufacturing. Through consistent monitoring, supplier engagement, and transparent reporting, Spike sets benchmarks for integrity and excellence in supply chain management.

Conclusion

Spike's Supplier Integrity & Compliance Report demonstrates our unwavering commitment to ethical sourcing, transparency, and continuous improvement. By holding ourselves and our suppliers accountable, we ensure that the integrity of our operations extends throughout the entire supply chain. Together with our partners, we continue to advance responsible manufacturing practices that support people, protect the environment, and create shared value.

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