CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT (HUMAN TRAFFICKING AND ANTI-SLAVERY) DISCLOSURE STATEMENT

Effective January 1, 2012, the California Transparency in Supply Chains Act of 2010 (the “Act”) requires retailers and manufacturers doing business in California to disclose efforts to eradicate slavery and human trafficking from their direct supply chain. Ducommun Incorporated (“Ducommun”) is committed to ensuring that its employees and suppliers take appropriate steps to mitigate the risk of human trafficking and slavery from occurring in any aspects of its supply chain. Founded in 1849, Ducommun is the oldest company in California and has a long history of operating in a socially and environmentally friendly way. Ducommun strives to conduct business in a manner that respects its core values – honesty, professionalism, respect, trust and teamwork. In accordance with the Act, Ducommun makes the following disclosures:

Verification of Supply Chain
Ducommun verifies product supply chains through several methods, including site evaluations, inspections, verification of government debarred and denied parties lists and other means. Ducommun requires all suppliers to agree as a condition of contract that they will comply with all applicable laws and regulations. Ducommun requires that its suppliers adhere to certain ethical standards. With respect to suppliers outside the United States, suppliers are required to comply with their local laws as well as applicable laws of the United States.

Evaluation of Supplier Compliance
Ducommun does not currently conduct audits of suppliers to evaluate supplier compliance with company standards specifically for trafficking and slavery in supply chains. However, for anyone who observes conduct potentially implicated by the Act, Ducommun maintains an ethics hotline at (800) 735-1265 or at www.ducommun.alertline.com. Ducommun promptly investigates all reported matters and takes action as needed, including disclosure to governmental authorities as appropriate.

Supplier Certification
Ducommun requires as a condition of contract that all suppliers commit to comply with applicable laws and regulations, and requires suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Any material violation of law relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, may be considered a material breach and grounds for contract termination for default.

Internal Accountability Standards
Ducommun maintains accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking. Ducommun has adopted the Ducommun Incorporated Prohibition Against Trafficking in Persons Policy which is posted on the Ducommun website under “Corporate Governance.” The policy states, in relevant part:

“In support of the United States Government policy prohibiting trafficking in persons…we expect our employees and suppliers to not engage in the use of forced, bonded or indentured labor, involuntary prison labor, and slavery, and to not procure commercial sex acts, or engage in trafficking of persons.”

Ducommun has also adopted a Code of Business Conduct and Ethics (the “Code”) which is aimed at promoting honest and ethical conduct, enhancing compliance with applicable governmental laws, rules and regulations and providing guidance to our stakeholders with respect to their business conduct. In accordance with Ducommun policy, all active exempt employees receive training and must recertify their commitment to follow the Code each year.
Employee Training
Ducommun offers company employees and management, who have direct responsibility for hiring related or supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks in the recruitment and retention areas, as well as within the supply chains of products.