

## California Transparency in Supply Chains Act Disclosure

*September 30<sup>th</sup>, 2020*

The California Transparency in Supply Chains Act of 2010 (SB 657) requires certain retailers and manufacturers doing business in California to disclose their efforts to address slavery and human trafficking in their direct supply chains. ESPERION is committed to upholding human rights in all aspects of its business, and it continually strives to ensure responsible supply chain management. ESPERION is taking the following related efforts, among other initiatives, in connection with its direct supply chain:

**Verification:** ESPERION is currently executing an initial verification process of its direct supply chain to evaluate and address risks of slavery and human trafficking. ESPERION uses the Slavery & Trafficking Risk Template ("STRT") developed by the Social Responsibility Alliance initiative, which is a consortium of organizations working in tandem to ensure respect for human rights ([www.socialresponsibilityalliance.org](http://www.socialresponsibilityalliance.org)). This tool engages suppliers in the risk assessment process and, in doing so, helps ESPERION foster constructive dialogue and raise supplier awareness of its commitment to tackling modern slavery risk. ESPERION sends the STRT to its commercial and clinical suppliers on an annual basis.

**Audits:** ESPERION is currently executing an audit of its suppliers to evaluate compliance with company standards prohibiting slavery and human trafficking. Via trained internal auditors, each supplier's STRT is audited for completion and adequate disclosure and is risk scored for human rights risk. For suppliers that have not adequately disclosed their risk profile or their declarations to limiting human rights risks and/or have a high risk score, additional steps are performed to determine compliance with supply chain transparency. ESPERION is committed to demonstrating year-over-year improvement in its audit process and lowering its modern slavery risk.

**Certification:** ESPERION expects all suppliers to maintain the highest ethical standards when carrying out business activities. ESPERION does not yet require suppliers to annually certify compliance with anti-slavery and human trafficking laws in the country or countries in which they do business; however, ESPERION is in the process of implementing the appropriate procedures.

**Internal Accountability:** ESPERION maintains a Code of Professional and Ethical Conduct, policies and procedures that require employees, consultants, contract workers, and suppliers to comply with all applicable laws, including those that relate to labor practices. ESPERION will take appropriate action if it determines that an employee, consultant, contract worker, or supplier has violated a policy, procedure, law, or any contractual requirements where applicable. ESPERION also encourages internal and external stakeholders to report concerns about potential violations.

**Training:** All employees and management receive training on the company's Code of Professional and Ethical Conduct and other applicable policies and procedures. In addition, ESPERION requires all Supply Chain and Quality Management employees to be trained on the California Transparency in Supply Chains Act Resource Guide (2015).