

For many years, Sparton's Values have been the following:



-  • We foster growth and success in an environment of teamwork, collaboration, empowerment, and accountability.
-  • We demand performance excellence in all that we do.
-  • We will be good corporate citizens in the communities in which we reside.
-  • We demand integrity of ourselves, our products, and our services.
-  • We develop long-term, trusting relationships to ensure mutually profitable growth.
-  • We will maintain a safe and environmentally sound workplace.

### We Live by Our Values

As everyone at Sparton has been working to increase Sparton holds itself and its associates accountable to these values. The company has worked to instill them and encourage associates to be constantly "Living the Values," a mantra now part of Sparton's cultural DNA.

Sparton has not only been working to increase revenue and profitability the last few years. We've also been working on the betterment of the communities in which we reside. We define that betterment in a variety of ways. For example, this ranges from enhancing the business environment in developing countries to improving the health and wellness of employees so they can contribute in their communities. The company actively encourages our associates to recognize their responsibilities and behave in a responsible manner toward the society in which we function.

We believe setting a good example is an important practice. Below are a few examples of how our company and associates have shown their commitment to practice responsible corporate behavior in our facilities and offices around the world.

### Employees

When we attract and train the best and brightest people from around the world, obviously that's good for Sparton. But it's also good for our communities because of what stable employment allows them to do or accomplish throughout their lifetimes. Our success as a performance-based company is centered on our people—we seek to recruit, retain, reward and develop the best creative talent. We continually seek to improve the impact of our employees through training as we foster growth and success in an environment of teamwork, collaboration, empowerment, and accountability.

### Viet Nam

Further, when we build a new supply chain in Asia that directly supports investor and shareholder objectives, we're also improving the business climate, talent levels, and possibilities for other companies and individuals in the region. Our knowledge and expertise is creating sustainable business opportunities that wouldn't exist otherwise. We are proud of the fact that we're the only one in our 25-company peer group that is in Viet Nam making this kind of impact.

**Environmental, Health & Safety (EHS)**

Another example of our commitment to corporate citizenship is our focus on environmental, health and safety factors—things that personally impact anyone associated with Sparton.

We actively manage recycling programs in our various locations. Throughout the year, we work closely with companies and organizations to ensure the recycling of as much waste as practical. We're also pushing to be regional contributors to farther-reaching sustainability programs.

At the same time, we are fully committed to employee wellness. When we initiated our program, it wasn't just to help employees become healthier, reduce healthcare expenses, or increase our reliability in the eyes of customers. Yes, those were big goals of the program. But it was also about helping employees live healthier and be more stable, so they have the chance to be there longer for their families and communities and create more lasting contributions.

We also believe a company cannot find success just by providing a safe environment for employees. But the lack of a commitment to safety can certainly undermine everything else that a company does. That's part of the reason why Sparton continues to place so much emphasis on safety. We offer training programs, standardized procedures and protocol manuals, incident tracking tools, and best practices guides. Plus a whole lot of dialogue to make sure that everyone is hearing—and living—our commitment. We aim to ensure that employees are being smart every day, and that they feel supported to do the smart, safe thing. We want them to know that every day they will return home safely to their families and the communities in which they reside.

**Community Involvement**

Because we want to serve each of the communities in which we operate in the best possible way, the Sparton executive team intentionally has not created just one program or supported just one cause. Each of our sites has autonomy. Some are focused on energy and environmental impact, others on philanthropic opportunities.

**Going Forward**

Over time, we have continued to set our bar higher every year. As an example, our wellness initiative started out as a pure awareness campaign. The following year more policies and procedures were implemented. Then we expanded many of the programs to include family members. And now there are more than 25 discrete projects that people have started, from health runs/walks and green initiatives to community-based philanthropic fundraising events for multiple causes.

We have made great progress that should make everyone proud. And we will continue to look outward to do more for others and for our communities.

As a company, Sparton has been very successful the past few years. The employee base has doubled, the company is more secure, and benefits have been enhanced. At the same time, we have committed to sharing our good fortune in direct and indirect ways.

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