



Criterion Technology, Inc. Communication on Progress

Period Covered

February 11th, 2013 to February 11th, 2014

Statement of continued support by the President/CEO

Criterion Technology, Inc. remains committed to its support of the goals set forth by the United Nations Global Compact. Criterion will continue to incorporate sound and fair principles into our daily business model in the areas of human rights, labor standards, the environment, and anti-corruption. These principles will be shared with our employees, customers and suppliers through our daily business practices and this annual Communication of Progress. Within this COP we describe our actions to continually integrate the Global Compact principles into our business strategy.

Christopher B. Mulvey
President/CEO

* Human Rights Principles

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Assessment, Policy and Goals:

Criterion Technology supports the Universal Declaration of Human Rights. We do not carry out business with any company where flagrant human rights abuses are known.

It is the policy of Criterion Technology to promote a productive work place and not tolerate any type of written, verbal, or physical conduct by an employee that harasses, disrupts or interferes with another's work performance or that creates an intimidating, offensive, or hostile environment. This policy is adhered to by all employees regardless of race, religion, color, sex, age, national origin, disability, veteran status or any other legally protected status. Employees shall not be subjected to harassment, intimidation, threats or discrimination for any reason.

Implementation:

CTI encourages all employees to report any complaints of discrimination, harassment, intimidation or threats to their supervisor or the Vice President, Operations immediately. Employees shall not be subjected to harassment, intimidation, threats, or discrimination because they have:

1. Filed a complaint,
2. Assisted or participated in an investigation, related to the administration of any federal, state, or local law requiring equal employment opportunity,
3. Opposed any act made unlawful by any federal, state, or local law requiring equal opportunity.

All managers, supervisors and employees are expected to comply with this policy.

Measurement of Outcomes

In the past year Criterion has been compliant with all Federal and State laws and regulations regarding employment practices and has not been subject to any investigations involving Human Rights.

***Labor Principles**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Criterion Technology supports the ILO Core Conventions and does not engage in forced or child labor. Criterion Technology does not carry out business with any companies with known forced or child labor or companies that are known to violate the freedom of association and the right to collective bargaining.

It is the policy of Criterion Technology, Inc. to practice equal opportunity employment and career development in selection and placement, training programs, promotions, transfers, compensation, layoff, recall, and corrective actions including termination. This policy is carried out for all employees regardless of race, religion, color, sex, age, national origin, disability or veteran status or other legally protected status. Criterion complies with all federal and state laws, including the Americans with Disabilities Act (ADA), concerning the employment of persons with disabilities and acts in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). All managers, supervisors and employees are expected to abide with these policies. The company is committed to complying with all federal, state and local equal opportunity laws, regulations and guidelines.

Criterion offers group health insurance plans at no cost to employees as well as dental insurance. Voluntary term life and other coverages are also offered. All full time employees are eligible to enroll in these benefits on the first day of employment. Employees are eligible for 40 hours of vacation after 1 year of employment and non-exempt employees receive 40 hours of paid sick leave on January 1 of each year.

Criterion follows minimum pay requirements and offers equal pay for equal work. Time reporting methods are appropriate to the work environment. Employees are paid bi-weekly. Work hours are clearly stated and paid breaks along with an unpaid lunch are provided. Non-exempt employees are also compensated for overtime.

Criterion understands the importance of workplace safety and has policies and procedures in place to ensure the safety of all employees.

Employee records and personal information are kept in a secure location and remain confidential.

Employees are encouraged to discuss any problem or question they may have regarding these policies and procedures with their supervisor or the VP Operations.

Implementation

At the time of employment, Criterion provides each employee with a handbook outlining each of our policies and new hire training/orientation is conducted. Criterion also provides regular safety training in all required areas/job functions and has several employees trained in OSHA safety compliance to enforce and update this training.

Policies are in place for reporting injuries, electrical safety, machine guarding, handling hazardous materials such as chemicals or blood borne pathogens, etc. These and the company safety policy are reviewed and amended as necessary. Retraining is provided when policies or procedures are changed. Criterion also maintains an OSHA 300 log and updates it when necessary.

Criterion sets goals for continuously improving our safety policy, employee training, improvement of workplace safety and reducing the number of on the job injuries.

Measurement of Outcomes

In the past year, Criterion Technology has not been involved in any investigations or lawsuits relative to the UNGC labor principles. Only 3 reportable OSHA incidents occurred in the workplace in the past year. Criterion has also successfully maintained ISO 9001:2008 certification.

***Environmental Principles**

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Criterion Technology is committed to the health and safety of our environment and community. Proper disposal and storage of chemicals is taught and enforced. Criterion enhanced the recycling program this year along with the addition of more energy efficient lighting and improved skylights throughout the plant. We also have processes in place to reduce the amount of paper used.

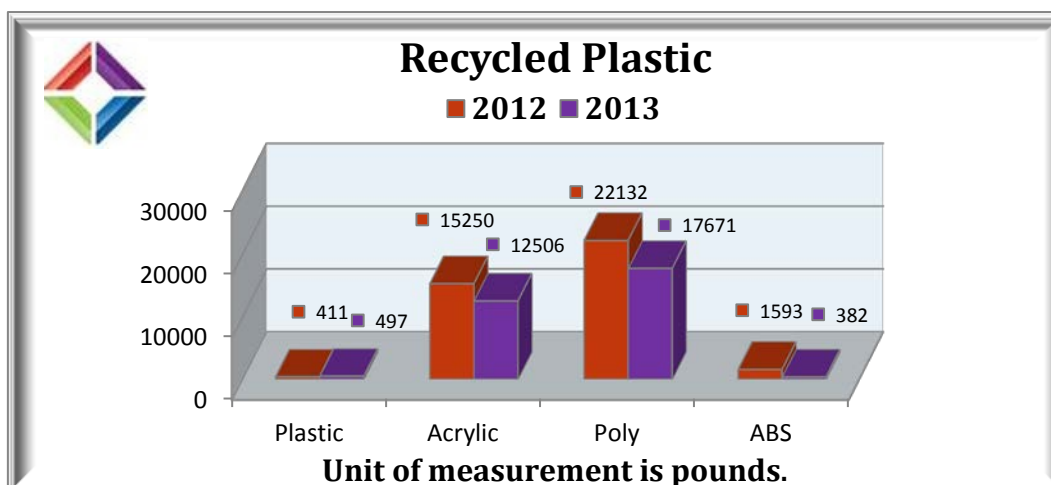
Implementation

Our policies, work instructions, product specifications, insurance booklets and job descriptions are maintained electronically through the company intranet and we encourage employees to print on both sides of paper sheets. We have a closed loop water system for our injection molding process allowing us to reuse water. We recycle paper, plastic, aluminum and other metals, corrugated cardboard and scrap materials. Recycling bins are placed throughout our facility and employees are encouraged to use them for all recyclable materials. Our heating and air system is programed so that it does not run excessively when the building is unoccupied. Chemicals are disposed of and stored according to state and federal regulations. Our improved skylights reduce the need to use lights throughout the production areas.

Measurement of Outcomes

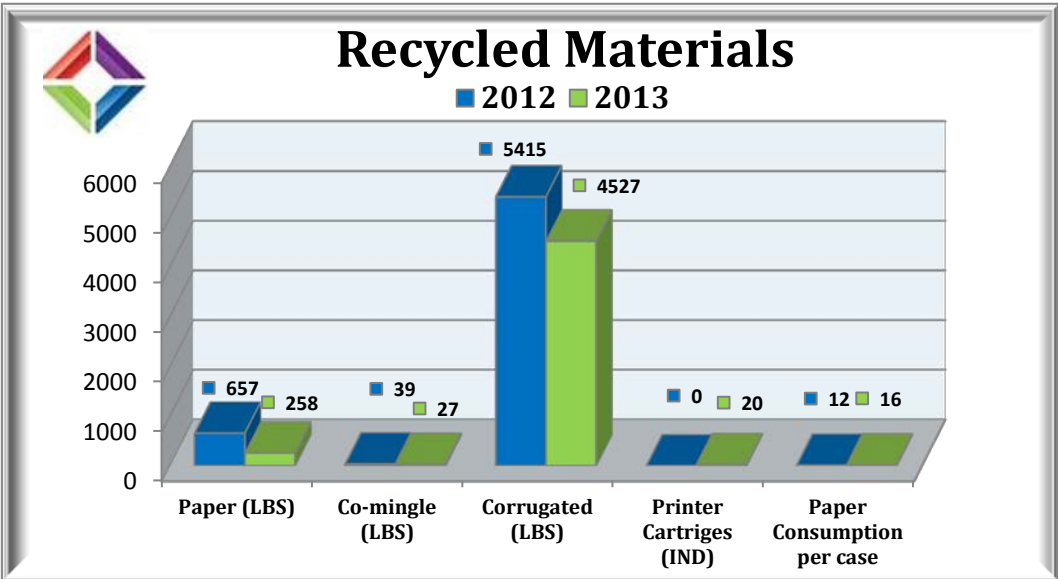
All recycled materials and energy reduction are tracked throughout the year. This has allowed us to monitor progress and set goals for improving our programs. The graphs below compare our recycled materials during 2012 and 2013.

In 2013 we reduced our plastic material waste which in turn reduced the amount of plastic material we recycled. Our company is becoming more efficient managing the amount of plastic material being wasted from equipment issues. Therefore, the reduced numbers of recycled plastic materials is a direct reflection of decreased scrap.



Several of our clients like instruction manuals to be printed and inserted with the product. In 2012 we were outsourcing these instruction manuals, but this year we started printing these manuals in-house. This explains the increased paper consumption and decreased paper recycled.

This year we have incorporated printer cartridges into our recyclable materials. We hope to continue adding more recyclable materials to set an example for maintaining a healthy environment.



Criterion Technology has not had any reportable environmental incidents within the last year and has not been subject to any statutory notices or prosecutions.

***Anti-Corruption**
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Criterion Technology does not participate in any corruption, bribery or extortion and does not do business with organizations that are known to be corrupt. Criterion has a policy against accepting gifts of any kind from vendors or customers.

Implementation

Criterion Technology enforces our no gift policy. If gifts are received from vendors or customers they are placed in a secure location and are distributed evenly to all employees during our annual Christmas celebration. Any food items received are shared amongst all employees.

Measurement of Outcomes

Criterion Technology has not been involved in any legal cases, rulings or other events related to corruption or bribery.