

Superior Tool®

STC Supplier Code of Conduct & Certification

January 20
2014

Superior Tool strives to conduct business in a responsible manner with high ethical standards, respect for human rights, and safety in the work place, and concern for the environment. This Supplier Code of Conduct outlines the minimum requirements for suppliers who wish to conduct business with Superior Tool.

STC – SER
Form 002 –
Appendix A



Superior Tool Company
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Introduction

Superior Tool Company (STC) is committed to conducting business in a manner that reflects our high ethical and moral values. We expect our suppliers to respect and adhere to the same philosophy in the operation and management of their businesses and we seek to do business with suppliers that actively seek to demonstrate these values.

In keeping with this commitment, STC has developed this Supplier Code of Conduct (“Code”), which establishes standards for all of its suppliers. In addition to complying with local laws and regulations, STC requires suppliers to be honest, transparent and committed to making continuous improvements against these standards. For the purposes of the Code, a supplier is any manufacturer or subcontractor engaged in a manufacturing process, including cutting, sewing, assembling and packing that results in a finished product for the consumer.

Suppliers are expected to have a full understanding of the requirements of this Code, and are expected to have management systems, policies, procedures, and practices, to ensure compliance with the Code.

STC will monitor compliance with this Code, and we, our representatives, and our customers, may visit suppliers and their subcontractors to ensure compliance with this policy. Suppliers are expected to cooperate fully with these inspection and will be expected to take necessary steps to correct any nonconformance with this Code. If the supplier does not agree to these terms, or demonstrates inability to meet the standards of this Code, STC reserves the right to discontinue business with the supplier.

Business Integrity

Suppliers must demonstrate a high degree of ethical conduct. Any and all forms of bribery are prohibited. Falsification, or any attempt to interfere with the audit process will be cause for immediate termination. Retaliation or reprisal against any person who, in good faith, reports unlawful or inappropriate activity related to the Code and/or the audit process may also give cause to interrupt the business relationship.

Compliance with the Law

STC expects its suppliers to perform in full compliance with the applicable labor and environmental laws and regulations of the country where the merchandise is produced. Where the Code requirements are stricter than the law, compliance with the Code is required. All legally required licenses, permits, and certifications must be current and properly maintained.

Child Labor

Suppliers must comply with the minimum employment age limit defined by national law or by International Labor Organization (ILO) Convention 138, whichever is higher. In addition, suppliers must observe all legal requirements for work of authorized minors, particularly those pertaining to hours of work, wages, education and working conditions.

Forced Labor, Slavery and Human Trafficking

All labor must be voluntary. Suppliers shall not use any form of forced labor, defined as any work or service performed involuntarily such as prison, indentured, bonded or other compulsory labor. Suppliers will ensure there is no slave labor or human trafficking in its supply chain.



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In addition, suppliers shall respect the freedom of movement of its workers, ensure contracts are written in workers' spoken language, and shall not restrict worker movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment.

Harassment and Abuse

Workers shall be treated with dignity and respect. In particular, suppliers will not permit physical, sexual, psychological or others forms of mental or physical coercion, harassment, abuse or intimidation. Further, the use of monetary fines as a disciplinary practice is not permitted.

Discrimination

Discrimination in employment, including hiring, pay, benefits, job assignments, working conditions, training, recruitment, promotion, discipline, termination, and retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion and social or ethnic origin is prohibited.

Health and Safety

Conditions in all production and residential facilities must be safe, clean and consistent with all applicable laws and regulations, in order to avoid preventable work related accidents and injuries. Where higher than the law or the Code requirement, suppliers are encouraged to implement industry best practices.

Wages and Benefits

Suppliers must comply with all laws regulating local wages, overtime compensation, and legally mandated benefits. Wage and benefit policies must satisfy all applicable laws and regulations.

Working Hours

All work shall be voluntary. Except in extraordinary business circumstances, workers shall not be required to work (inclusive of overtime) more than the legally prescribed limits or 60 hours, whichever is less, and shall have one day of rest in every seven-day period.

Freedom of Association

Suppliers should respect the rights of employees to lawfully associate with groups of their choosing. Suppliers should not interfere with, obstruct or prevent legitimate related activities, and ensure workers are not penalized for their non-violent exercise of these rights.

Environmental Practices

Suppliers, at a minimum, will meet all applicable local and national environmental protection laws and regulations, and will strive to comply with international environment protection standards. All required environmental permits shall be kept current and available on premise for review. In addition, suppliers shall conduct business in a manner that minimizes their impact on the environment.



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Responsible Sourcing of Minerals □

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Participants shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

Recordkeeping

Suppliers must maintain current and sufficiently detailed records that enable STC to determine compliance with the Code and all applicable laws and regulations of the country where the merchandise is produced for a minimum of 12 months. All such records must be accurate and made available to representatives of STC promptly and upon request.

Subcontracting

All subcontractors must be disclosed to STC. Suppliers may not subcontract any operation in the manufacturing process without prior written authorization of STC. All subcontractors must agree to comply with STC 's Code and suppliers are responsible for ensuring their subcontractors are in compliance with the Code.

Monitoring and Corrective Actions

STC shall monitor suppliers for compliance with the Code. STC requires that factories allow STC staff or its designated third party auditors to perform announced or unannounced assessments. Factories will provide unimpeded access to facility grounds, workers for confidential interviews, and relevant records for the most recent 12 months.

Violations of the Code will be reported to the supplier for follow up and corrective and preventive action. STC is committed to a policy of continuous improvement, and will work with suppliers on the corrective action process with a view to implementing long-term, sustainable solutions. Corrective and preventive actions will be verified by STC or a designated third party auditor.

Acknowledgement

Please acknowledge that you have read, understood, and accepted the STC Supplier Code of Conduct.

Authorized signature / Official factory stamp / chop

Date