



## ANDREWS TOOL CO (ATC) CODE OF CONDUCT

Andrews Tool Co (ATC) is committed to the **highest ethical standards, adherence to the law, and continuous attention to customer satisfaction**. These commitments constitute the foundation upon which ATC conducts its business.

ATC encourages suppliers to communicate concerns before they become problems. Building and maintaining trust, respect and communications between suppliers and ourselves is critical to the overriding goal of efficiently producing high quality products, providing the maximum level of customer satisfaction, and ultimately fueling profitability and growth.

The management and employees of ATC are committed to a strong self-governance program. Maintaining the company's reputation for quality, reliability, integrity, and customer responsiveness is critical to achieving this goal.

The ATC Supplier Code of Conduct outlines standards to ensure that working conditions in our Supply Chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. The Code may be voluntarily adopted by any business ("Participant") in the ATC Supply Chain and subsequently applied by that business to its supply chain and subcontractors. Fundamental to adopting the Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates. The Code encourages Participants to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

The Code is made up of four sections.

Section A:	Labor
Section B:	Health and Safety
Section C:	Environment
Section D:	Business Ethics

*The Code is not intended to create new and additional third party rights, including for employees*

### **A. LABOR**

Participants are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. Recognized standards such as the Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI) were used as references in preparing the Code and may be a useful source of additional information.

The labor standards are:

#### **1) Freely Chosen Employment**

Forced, bonded or indentured labor or involuntary prison labor is not to be used. All work will be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

#### **2) Child Labor Avoidance**

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for



completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

### **3) Working Hours**

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law.

### **4) Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

### **5) Humane Treatment**

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers: nor is there to be the threat of any such treatment.

### **6) Non-Discrimination**

Participants should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

### **7) Freedom of Association**

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Participants are to respect the rights of workers as established by local law to associate freely on a voluntary basis, seek representation, join or be represented by Works Councils, and join or not join labor unions and bargain collectively as they choose. As provided by law, employees who become worker representatives shall not be the subject of discrimination and shall have access to management and co-workers in order to carry out their representative functions. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. In saying that worker rights are to be respected as established or provided by local law, what ATC means is that in countries that have legal systems that support those rights, they are to be understood in the context of the definitions, conditions and procedures that local law provides. However, basic worker rights to open communication, direct engagement and humane and equitable treatment must be respected even in countries where they are not given meaningful legal protection. Where worker representation and collective bargaining are restricted by law, participants are to facilitate open communication and direct engagement between workers and management as alternative ways of ensuring that workers' rights, needs and views are considered and acted upon appropriately and in good faith.

## **B. HEALTH and SAFETY**



Participants recognize that the quality of products and services, consistency of production and workers' morale are enhanced by a safe and healthy work environment. Participants also recognize that ongoing worker input and education is key to identifying and solving health and safety issues in the workplace. Recognized systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be a useful source of additional information.

The health and safety standards are:

### **1) Occupational Safety**

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout). Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns.

### **2) Emergency Preparedness**

Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

### **3) Occupational Injury and Illness**

Procedures and systems are to be in place to manage, track and report occupational injury and illness, including provisions to a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and d) facilitate return of workers to work.

### **4) Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.

### **5) Physically Demanding Work**

Worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

### **6) Machine Safeguarding**

Physical guards, interlocks and barriers are to be provided and properly maintained for machinery used by workers.

### **7) Dormitory and Canteen**

Workers are to be provided with clean toilet facilities, access to potable water and sanitary food preparation and storage facilities. Worker dormitories provided by the Participant or a labor agent are to be clean, safe, and provide emergency egress, adequate heat and ventilation and reasonable personal space.



## **C. ENVIRONMENTAL**

Participants shall be aware that ATC requires all personnel, including contractor/suppliers to be aware of the importance of recognizing that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.

The environmental standards are:

### **1) Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

### **2) Pollution Prevention and Resource Reduction**

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

### **3) Hazardous Substances**

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

### **4) Wastewater and Solid Waste**

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

### **5) Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

### **6) Product Content Restrictions**

Participants are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal.

Participants are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list.

## **D. ETHICS**

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:

### **1) Business Integrity**

The highest standards of integrity are to be expected in all business interactions. Any and all forms of corruption, extortion and embezzlement are strictly prohibited resulting in immediate termination and legal actions.

### **2) No Improper Advantage**

Compete fairly and ethically for all business opportunities. Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted. Avoid any conflict of interest



relating to financial interests or other arrangements with employees that may be considered inappropriate.

**3) Maintain Accurate and Honest Records and Disclosure of Information**

Information regarding business activities, structure, financial situation and performance is to be accurately and honestly maintained and disclosed in accordance with applicable regulations and prevailing industry practices.

**4) Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

**5) Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.