



# Anti-Human Trafficking and Slavery Disclosure Statement

Apex Tool Group is headquartered in Sparks, Maryland. Apex is one of the largest worldwide producers of industrial hand and power tools, tool storage, drill chucks, chain, and electronic soldering products. Apex serves a multitude of global markets, including automotive, aerospace, electronics, energy, hardware, industrial, and consumer retail. Apex markets its portfolio of diverse products under its own brand names. In addition, Apex is the principal manufacturer for several key private label products for certain retailers.

One of Apex's core values is "Integrity in all we do." Apex has developed Standards of Conduct and Supplier Standards of Conduct to ensure human trafficking and forced labor do not exist in its supply chain. These policies comply with existing laws pertaining to human trafficking and forced labor including the "California Transparency in Supply Chains" Act and the U.K. Modern Slavery Act of 2015. In addition, Apex's standard contract terms and conditions of purchase require suppliers to comply with all applicable laws and regulations. In the event that the suppliers commit any material violation of law relating to basic working conditions and human rights in their performance of work with Apex, Apex has the right to terminate those suppliers for default.

## **Verification**

Apex and its business units engage in verification of product supply chains to evaluate and address the risk of human trafficking and forced labor as described herein. Suppliers are subject to selection processes and criteria, including for example, verification against government denied party lists. Periodically, in the normal course of business or through our internal audit procedures, Apex conducts site visits with a supplier.

## **Audit**

Starting in 2018, Apex employees annually conduct announced audits of selected supplier manufacturing facilities and evaluate them to detect signs of human trafficking and forced labor. The audit methodology includes indicators published by the International Labor Organization which are used to assess the presence of forced labor practices. Apex will conduct a minimum of 10 audits annually. Anyone who observes questionable conduct may ask a question or raise concerns in complete confidence through Apex's anonymous compliance reporting hotline.

## **Certification**

Starting in 2018, Apex requires suppliers certify compliance with its Supplier Standard of Conduct when they are on-boarded and every other year thereafter.



## **Accountability**

Apex maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding human trafficking and forced labor. These include, as described above, Apex's Standards of Conduct Code and Apex's Supplier Standards of Conduct. Apex requires its employees to annually certify that they will honor the Standards of Conduct. Compliance with the requirements of the Standards of Conduct is expected behavior for all Apex employees and suppliers. Violation of these requirements will result in appropriate corrective action. Anyone who observes or suspects a violation of the Standards of Conduct may ask a question or raise concerns in complete confidence through Apex's anonymous compliance reporting hotline.

## **Training**

Starting in 2018, Apex provides human trafficking and forced labor training to employees and management who have direct responsibility for supply chain management, particularly with respect to mitigation risks within the supply chains of products.