

2012

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[COMMUNICATION ON PROGRESS]

The Communication on Progress (COP) is an annual disclosure through which Monti informs stakeholders and its efforts in implementing the United Nations Global Compact and its principles. This document discloses corporate activities and policies, which reflect the Company's implementation of two issue areas: labor and environment.

Statement of Continued Support for the United Nations Global Compact

I am pleased to confirm that Monti Incorporated continues to support the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this communication, we express our intent to continue to advance those principles within our sphere of influence. Moreover, this statement renews Monti's on-going commitment to the initiative and its principles.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes Monti's efforts to implement the ten principles. Monti supports public accountability and transparency, and therefore has provided the following information to serve as our COP. The following documents demonstrate our commitment to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company.

The following document is the company's disclosure of our efforts in implementing the United Nations Global Compact and its principles. It signifies our continuous effort to put into practice the ten principles of the Global Compact.

Sincerely yours,

Jeff Crowley
Chief Operating Officer
Monti Inc.

Human rights

Assessment, policy and goals

Monti strives to maintain a workplace that fosters mutual employee respect and promotes harmonious, productive working relationships. Our organization believes that unlawful discrimination and/or harassment in any form constitutes misconduct that undermines the integrity of the employment relationship. Therefore, Monti prohibits discrimination and/or harassment that is sexual, racial or religious in nature or is related to anyone's gender, pregnancy status, national origin, age, sexual orientation, disability or military/veteran's status. This policy applies to all employees throughout the organization and all individuals who may have contact with any employee of this organization.

Monti believes that communication is the heart of good employee relations. Regardless of the situation, employees are able to openly discuss any work-related problems and concerns without fear of retaliation.

The security, safety and health of all employees are of primary importance to Monti. Threats, threatening and abusive behavior, or acts of violence against

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our employees, visitors, customers, or other individuals by anyone on property of Monti will not be tolerated. We require prompt and accurate reporting of all violence or potential violence incidents whether or not physical injury has occurred.

Implementation

Monti's Discrimination/Harassment Policy is found in Section 8 of our *Employee Handbook*. The policy includes procedures for employees to make complaints in as confidential a manner as possible.

The process of reporting abuses of human rights can be found in our employee handbook. Employees are encouraged to report all abuses without fear of retaliation or threat.

Measurement of outcomes

Monti's leadership team meets frequently and periodically reviews the implementation of our concrete actions to reduce Human Rights risks.

Monti has never been part of a Human Rights violation investigation, legal case, ruling or fine.

Labor

Assessment, policy and goals

Our People

Monti truly has a passion for taking care of its employees because we understand that the success of our business and the satisfaction of our customers can only be accomplished through having top quality people. We employed over 150 employees at the end of 2012 at our Cincinnati, Ohio headquarters. As a Core Value of Monti Incorporated, we maintain a family culture environment that develops and empowers our employees.

Monti strives to develop our people; and most importantly, engrain a culture of continuous improvement where our employee's voice is heard and acted upon. In 2012, we acted on over 300 ideas to eliminate waste and improve our employee's working conditions—in turn improving productivity, employee satisfaction and moral, and truly making Monti a place where people enjoy working.

Implementation

Monti has taken several actions to prevent discrimination in all employment decisions. We have allocated time and resources in developing and validating employee selection tests to eliminate discrimination in our employment decisions. By establishing an Effective Employment Testing Program, Monti ensures that selection procedures are made without regard to race, color, national origin, sex, religion, age (40 or older), or disability.

Additionally, Monti utilizes Employee Performance Evaluations to prevent and eliminate discrimination in respect of employment and occupation. The evaluation removes any subjectivity from our employment decisions, and provides employees with objective criteria for which performance is measured.

Measurement of outcomes

Monti continuously monitors and evaluates the performance of our employment decisions. Senior Management meets monthly to review employee evaluations.

Monti Inc. has never been part of an investigation, legal case, ruling or been fined for incidents of violations of Labor principles.

At the most senior level there are 2 female managers and 8 male managers with a range of ages across the spectrum. Monti Inc. works in areas which are by their nature quite male dominated e.g. manufacturing, but this in no way reflects our approach to encouraging and promoting our employees.

Environment

Assessment, policy and goals

Environment

As a Core Value of our Business, Monti focuses on the environmental impact of our operations.

Annually, we assess our carbon footprint and share our findings with key stakeholders as a participant of the Carbon Disclosure Project:

www.cdproject.net

Monti addresses sustainability issues by identifying risks and opportunities driven by changes in environmental regulation, physical climate parameters, and climate related developments.

Implementation

During renovations at our headquarters in Cincinnati, we installed fluorescent, energy efficient lighting.

Molly Fender is our Environmental, Safety and Human Resources Manager, she is responsible for environmental protection and assessment at Monti, Inc.

Measurement of outcomes

Monti Inc. has not had any environmental incidents within the last year and has not been subject to any statutory notices or prosecutions.

Monti Inc. uses licensed waste removal companies for the disposal of our waste.

Monti has never been part of an investigation, legal case, ruling or been fined for violations of the environmental principle.

Anti-Corruption**Assessment**

Employees at Monti are expected to use good judgement, adhere to high ethical standards and avoid situations that create an actual or perceived conflict between their personal interests and those of the organization. Monti requires that the transactions employees participate in are ethical and within the law, both in letter and in spirit.

Employees are cautioned not to accept any form of remuneration or non-business related entertainment, nor may employees sell to third parties any information, products or material acquired from the organization.

Employees are prohibited from engaging in financial participation, outside employment or any other any other business undertaking that is contrary to, or prejudicial to, the best interests of Monti.

Monti has a written course of action that must be taken to resolve any conflict it believes may exist. If the conflict is severe enough, Monti may be forced to ask the employee to tender his/her resignation.

Employees are encouraged to seek assistance from their Department Supervisor or the Human Resources Manager with any legal or ethical concerns.

Implementation

Monti participates in an industry initiative to address the use of Conflict Minerals, minerals mined in conditions of armed conflict and human rights abuses. Our company discloses sourcing information on Tin, Tantalum, Tungsten and Gold to the Electronic Industry Citizenship Coalition.

Measurement of outcomes

Monti has never been in an incident of corruption.

Monti has never been part of an investigation, legal case, ruling or been fined for violations of the Anti-Corruption Principle.