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July 6th 2015

LETTER FROM THE PRESIDENT

I am pleased to reaffirm that General Fasteners Company reaffirms our support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights (1-2), Labor (3-6), Environment (7-9), and Anti-Corruption (10).

We are happy to share our Communication on Progress, describing the actions we have taken this year to more consistently demonstrate this commitment through our business model, culture, processes and daily operations. We are committed to communicate and implement and these initiatives to all of our stakeholders in each country in which we operate.

This year, our primary area of concentration has been improving our environmental performance, though we have made progress in each of the other areas as well.

Sincerely,

Kevin Godin
President
General Fasteners Company



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COMMUNICATION ON PROGRESS

HUMAN RIGHTS

General Fasteners Company fully supports and respects the protection of human rights worldwide and continues to use its influence to promote practices to that effect both internally and with the companies with whom it conducts business.

General Fasteners requires its employees to observe all applicable laws, the Company handbook, and affirmative action policies which address prevention of human rights abuses.

General Fasteners Company maintains an Employee Handbook that details these policies and is updated regularly. The company holds regular employee update meetings including a monthly meeting with senior level executives that everyone is invited to attend. The company operates according to an “Open Door” policy in which employees are encouraged to feel comfortable addressing any issue with the management team. The company also operates according to a published “Code of Conduct” that is consistent across all countries and geographies in which we operate. Employees are encouraged to highlight any concerns regarding an area where such conduct is not being followed so that it can be addressed.

In addition, General Fasteners Company continues to offer health care benefits, vacation pay, and retirement, and employee assistance programs for all employees and family members who qualify. Throughout the year various training classes and programs are held. Among others, this year we completed discrimination, harassment, and workplace violence, and safety training programs.

MEASUREMENT OF OUTCOMES:

1. Safety and lost time incidents are down from the previous year.
2. Employee turnover continues to remain below the industry average.
3. Training sessions were completed and documented.
4. Affirmative Action plans reviewed and approved by the U.S. Government.
5. In the past year General Fasteners Company has not been subject to any investigations, legal cases or incidents concerning Human Right violations.
6. Employee Assistance Programs have been implemented through changes to insurance coverage.

LABOUR

General Fasteners requires its employees to observe all applicable laws, the Company handbook, and affirmative action policies which address employee rights.

Operating procedures and organizational reporting structures are continually reviewed to provide clarity to employees about their respective functions within the organization. Affirmative Action Plans have been



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implemented (and reviewed by the US government), and the Company Handbook details General Fasteners Company's open door policy. Monthly employee meetings with senior executives are held to review and discuss key facets of company performance and questions are invited from any participant.

MEASUREMENT OF OUTCOMES:

1. Affirmative Action Plans implemented and reviewed by the US government.
2. Company Handbook explains open door policy process.
3. All labor complaints are reviewed by Human Resources Department and senior management.
4. In the past year General Fasteners Company has not been subject to any investigations, legal cases or incidents concerning Labor violations.

THE ENVIRONMENT

General Fasteners Company remains fully committed to being a good corporate citizen and continues to evaluate all possible means to reduce its material consumption, waste, and carbon footprint. General Fasteners Company is a distribution and services company and therefore consumes relatively less energy and generates relatively less waste than would a similar sized company in many other industries. However, we have nevertheless been able to identify several areas where we can improve our performance and are committed to doing so. General Fasteners Company is committed to:

- Prevent, reduce, or mitigate harmful effects the business may have on the environment in a manner appropriate to the scale of its activities and services.
- Providing the resources necessary to sustain and continuously improve its commitment to prevent pollution, reduce or mitigate negative or harmful effects on the environment.
- Complying with all applicable legal requirements and others to which it subscribes as related to its environmental aspects.
- Recover or reuse expendable material through recycling initiatives.
- Pursuing continuous improvement in environmental performance by setting and reviewing objectives and targets.

Chemicals & Substances

General Fasteners Company policies restrict the storage or handling of HAZMAT material in our warehouses. Where such chemicals are used in our processes (i.e. testing) their handling is controlled with detailed SOP's and internal audits confirm that the procedures are followed. All materials in our system require compliance

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to our hazardous communication program and require Material Safety Data Sheets (MSDS) and we are currently transitioning to the new Safety Data Sheets (SDS) that will replace Material Safety Data Sheets (MSDS).

General Fasteners is committed to supplying full material declarations to support our customer obligations to several European Union Directives commonly referred to as ELV, REACH, and RoHS. We have been submitting material composition information via the IMDS (International Material Data System) since 2003. We continue to work with our customers and suppliers to assist design activities to ensure compliance with these restricted substance directives.

As part of our ongoing commitment to being a responsible corporate partner and neighbor, General Fasteners Company is committed to preventing the sourcing of certain minerals, referred to as “Conflict Minerals” mined in the region of the Democratic Republic of Congo, from being incorporated into our products. Although General Fasteners Company is not directly subject to the SEC Conflict Minerals disclosure requirement in the 2010 Dodd-Frank Act, General Fasteners Company is continuing to use all reasonable efforts to partner with our suppliers to ensure that materials used in our products are free of Conflict Minerals.

Energy & Waste

General Fasteners is committed to observing and supporting all regulations of the government. In addition, we have various environmental response plans and reduction initiatives for waste and recycling that are included in our policies and are in effect.

This year we attained significant waste material reductions at all locations, especially metals, paper products, and plastics.

We have also continued to implement improved energy practices throughout our operation, continuing a project we began in 2012 (for which we have been formally recognized by AEP Ohio).

General Fasteners Company began voluntary participants in the CDP (CARBON DISCLOSURE PROJECT) starting July 2010. As a member of the project General Fasteners Company monitors and works to reduce the overall carbon impact of our operations and services. Our CDP score for 2014 was a 92 B.

To further support our commitment to a healthy environment General Fasteners Company has implemented a No tobacco use policy for all company facilities and vehicles. We have also implemented and funded Smoking Cessation programs to assist employees who wish to quit smoking.

Other

Although General Fasteners Company has proactively promoted environmental responsibility through its policies and work practices for many years, we have decided to formally register our environmental management program with a third party under the ISO14001 standard. We see third party registration and

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auditing as an opportunity to further refine our processes and provide increasingly robust environmental practices. We have already attained ISO 14001 certification for our largest facility with additional certifications pending.

General Fasteners Company has also begun reviewing our environmental policies to ensure they are consistent with the general standards detailed in the ISO 26000 *Guidance on Social Responsibility*.

MEASUREMENT OF OUTCOMES:

1. General Fasteners Company has a clean record with the applicable governmental environmental agencies and regulators.
2. Internal audits confirm that policies and work practices are compliant and are followed.
3. REACH/ROHS information is tracked through the third party database.
4. Carbon Disclosure Project reports completed and monitoring on an ongoing basis.
5. No tobacco use policy implemented.
6. Existing environmental response plan, no legal cases, reviewed by management.
7. Waste costs reduced significantly.
8. ISO 14001 measurables and KPI's monitored and reacted to in accordance with the ISO standards.

ANTI CORRUPTION

General Fasteners Company fully supports the UN Convention against corruption, bribery and extortion and will not work with any organization which is involved in corrupt business practices.

In addition to requirements to follow all applicable laws, General Fasteners Company policy on corruption is consistent, clear, and strictly enforced. Any employee who is engaging in corruption or bribery, whether they are facilitating or receiving such consideration, will be dealt with immediately. All employees have a clearly communicated responsibility to inform senior management of any corrupt practices of which they are aware, including any activity on the part of suppliers, customers, or contracted agents. Any communication of potential corruption is immediately investigated by the Human Resources department and executives are notified.

General Fasteners Company has also begun reviewing our anti-corruption policies to ensure they are consistent with the general standards detailed in the ISO 26000 *Guidance on Social Responsibility*.

MEASUREMENT OF OUTCOMES:

1. Anti-Corruption policies are communicated and included in the Employee Handbook. They are routinely reviewed by senior level managers to ensure they are clear and sufficient.
2. Internal and independent financial audits confirm that appropriate financial controls are in place to detect unauthorized use of funds.



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3. General Fasteners Company has been a defendant in no legal cases, rulings, or fines related to corruption.