

## **Stero Statement on California Transparency in Supply Chains Act**

Stero is part of the Food Equipment Group (“FEG”) segment of Illinois Tool Works Inc. (“ITW”). The ITW Principles of Conduct mandate compliance with human rights requirements around the globe, including environmental, health and safety laws that protect the well-being of employees, and laws against slavery, human trafficking and child labor. ITW’s Supplier Code of Conduct specifically prohibits our suppliers from employing workers that are younger than minimum age or from knowingly sourcing from suppliers associated with human trafficking, and requires our suppliers to take reasonable efforts to ensure that their suppliers comply with our policies. We expect our suppliers to be in compliance with all of these requirements, and we would not knowingly do business with suppliers who violate laws for the protection of human rights or human health and safety.

The California Transparency in Supply Chains Act of 2010 (“California Supply Chain Law”) requires large retailers and manufacturers that do business in the state of California to disclose the extent to which they engage in specified activities to eliminate slavery and human trafficking from their supply chain. These activities and FEG’s engagement therein, are listed below

- (1) Verification of product supply chains to evaluate and address risks of human trafficking and slavery.

*We do not currently engage in verification activities to specifically evaluate and address risks of human trafficking and slavery.*

- (2) Conduct audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains.

*We do not currently engage in audit activities to specifically evaluate supplier compliance with company standards for trafficking and slavery in supply chains.*

- (3) Requires direct suppliers to certify that materials incorporated into our products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

*We require our suppliers to certify as to the origin of any so-called conflict minerals to determine whether such minerals derive from the region in Central Africa defined as the Democratic Republic of the Congo and adjoining countries, where forced labor and other violations of human rights are common.*

- (4) Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.

*Our employees are periodically required to certify to their compliance with the ITW Principles of Conduct. The Company also maintains a confidential whistleblower help line by which all employees and suppliers may report compliance failures by employees, suppliers or contractors.*

(5) Provides company employees and management who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within our supply chains of products.

*Our sourcing personnel are trained in overall supplier expectations, including the requirement to act ethically and according to our Supplier Code of Conduct.*