



## Supplier Code of Conduct

CSIF-3008-5

Revision:  
03/28/2023

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Cornerstone Supply, Inc. (CSI) is a small, woman-owned company specializing in MRO/safety supplies and equipment, hand/machine tools, military fasteners & electronics & packaging supplies. CSI is committed to working together with our employees, customers, and vendors to provide quality products ordered in accordance with customer specifications to continually improve business relationships. CSI is committed to honoring the following core values throughout all aspects of our business and our interactions with our customers and stakeholders:

### **Integrity, Respect, and Excellent Service.**

This Supplier Code of Conduct states CSI's expectations for its suppliers and partners to honor these same core values. Thank you for your shared commitment in meeting these principles.

**LAWS, REGULATIONS, AND CONTRACTS** Our suppliers must, at a minimum, perform all duties and expectations in compliance with all laws and regulations applicable to their business. Suppliers must comply with all flow down terms, conditions, and other provisions specified in the CSI purchase order. When performing international business, or if the primary place of business is outside of the United States, suppliers must comply with local laws and regulations.

**ANTI-CORRUPTION** We have a zero-tolerance policy for corruption, and prohibit anyone conducting business on our behalf, including suppliers, from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes the offer and/or receipt of any bribe or kickback to and/or from any customer, supplier or others. We expect our suppliers not to make any illegal, improper or corrupt payments. Except to the extent inconsistent with U.S. law, our suppliers must comply with the anticorruption laws that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and other similar laws prohibiting bribery and corruption in business dealings.

**GIFTS/BUSINESS COURTESIES** We compete on the merits of our products and services and do not use the exchange of business courtesies to gain an unfair competitive advantage. We expect the same of our suppliers in the offering or receipt of any gift or business courtesy, including cash and cash equivalents. In particular, note that our employees who are in any way involved in procurement decisions are subject to even more strict limitations, and may not accept any business courtesies, with the exception of very low value promotional items. In any business relationship, our suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation; does not violate the rules and standards of the recipient's organization; is consistent with reasonable marketplace customs; and will not adversely impact the reputation of CSI.

**FAIR COMPETITION/ANTITRUST** We expect our suppliers to conduct business in accordance with all applicable antitrust or competition laws and regulations. This includes avoiding business practices such as entry into arrangements that unlawfully restrain competition; improper exchange of competitive information; price fixing, bid rigging, or improper market allocation.

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**CONFLICTS OF INTEREST** We expect our suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with CSI. We expect our suppliers to report to CSI, any situations of potential or apparent conflicts between their personal interests and the interests of CSI.

**EXPORT/IMPORT CONTROL** We expect our suppliers to ensure that their business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign origin parts and components and related technical data. Suppliers shall provide complete and accurate information and obtain export licenses and/or authorizations when necessary.

**COUNTERFEIT PARTS** We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, and mark parts obsolete as appropriate.

**PROTECTING INFORMATION** Our suppliers should take proper care to protect information, including confidential, proprietary, and personal information. Information maintained on electronic systems should be protected against cyber intrusions and other unauthorized use or access, through appropriate physical and electronic security procedures. CSI information should not be used for any purposes beyond the scope of the business arrangement with our company, without prior authorization. In addition, we expect our suppliers to comply with insider trading laws and take steps to prevent their employees from trading in our securities or the securities of any other company while in possession of material nonpublic information about such company.

**FINANCIAL RESPONSIBILITY/ ACCURATE RECORDS** We expect our suppliers to accurately record, maintain, and report business documentation, including but not limited to, financial accounts, quality reports, time records, expense reports, resumes and submissions to CSI, the customer or regulatory authorities.

**HUMAN RIGHTS** We expect our suppliers to treat people with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all, and help create an inclusive and ethical culture.

**HUMAN TRAFFICKING** We expect our suppliers to not engage in the use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation.

**CHILD LABOR** We expect our suppliers to ensure that child labor is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

**NON-DISCRIMINATION** We expect our suppliers to provide equal employment opportunity to employees and applicants for employment without regard to race, ethnicity, religion, color, sex, pregnancy, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, any characteristic protected by state or local law, or mental or physical disability, when the essential functions of the job can be performed with or without reasonable accommodation.

**CONFLICT MINERALS** We expect our suppliers to take steps to determine if their products contain conflict minerals (tin, tantalum, gold, and tungsten) and if so, implement supply chain due diligence processes to identify sources of these minerals and support efforts to eradicate the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries.

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**ENVIRONMENT** We expect our suppliers to operate in a manner that actively manages risk, conserves natural resources, prevents pollution, and protects the environment. We expect our suppliers to apply environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, as well as opportunities for business growth through operational and product stewardship.

**EMPLOYEE SAFETY & HEALTH** We expect our suppliers to comply with applicable safety and health laws, regulations, policies, and procedures and to provide for the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

**HARASSMENT** We expect our suppliers to ensure that employees may perform their work in an environment free from physical, psychological and verbal harassment, or other abusive conduct.

**DRUG-FREE WORKPLACE** We expect our suppliers to maintain a workplace free from illegal drugs. Such a workplace includes the illegal use, possession, sale or distribution of controlled substances or illegal substances.

**REPORTING** We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation.

**SUPPLIER DIVERSITY** As supply chain requirements vary by country, our suppliers should be mindful that we often have customer-directed supplier inclusion goals that may necessitate use of in-country supply channel providers both by us and our suppliers. These may additionally be defined as small business, small disadvantaged business, woman owned small business, HUBZone certified business, veteran owned small business, service-disabled veteran owned small business, small/medium size business, or aboriginal business.

**SUPPLIER QUALITY PERFORMANCE** According to the nature of their business, we expect our suppliers to have quality management systems in place with appropriate policies and procedures to ensure that CSI's order expectations are satisfied. Suppliers will be initially qualified and then routinely assessed on their ability to provide correctly specified products and services in a timely manner on a consistent basis to meet the order requirements of CSI and CSI's customers. Criteria used will be through the supplier's demonstrated ability to consistently provide correctly specified products and services within identified schedule and cost parameters.

**CODES OF CONDUCT & SUB-TIER SUPPLIERS** Commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with laws, regulations, and expectations related to or addressed expressly within the Supplier Code of Conduct. We encourage our suppliers to implement their own written code of conduct, and to flow down the principles of a code of conduct to the entities that furnish goods and services to the supplier.