

August 15, 2017

Subject – California Transparency in Supply Chains Act of 2010 (SB 657)

The following disclosures are made as required by the provisions of the California Transparency in Supply Chains Act of 2010 (SB 657).

Since 1920, Snap-on has focused on serving customers, associates, investors, franchisees, suppliers and the communities where it does business. Guided by the core beliefs and values as laid out in Snap-on's "Who We Are" statement, Snap-on's commitments to integrity and social responsibility extend to its worldwide supply base. To ensure that Snap-on's suppliers, regardless of location, conduct business to Snap-on standards, all must adhere to Snap-on's Supplier Code of Business Conduct (the "Supplier Code of Conduct").

The Supplier Code of Conduct establishes standards to ensure that working conditions in its supply chain are safe, that workers are treated with respect and dignity, that no suppliers are permitted to engage in human trafficking, slavery, forced labor or child labor, and that business operations are environmentally responsible. It is mailed to the majority of the global suppliers doing business with Snap-on Incorporated annually. The complete Supplier Code of Conduct can be found at: <https://www1.snapon.com/corporate/suppliers/business/conduct.nws>. The Supplier Code of Conduct provides, in part:

1. Suppliers will not engage in any form of human trafficking, whether by force, fraud, or coercion; or any form of involuntary servitude or slavery; or any form of sex trafficking or the procurement of any commercial sex act.
2. Suppliers will not engage in, or support the use of child labor, will comply with all applicable local child labor laws and will employ only workers who meet the applicable minimum legal age requirement for their location.
3. Suppliers will not engage in or support the use of forced or involuntary labor. Suppliers will treat their employees with dignity and respect, and not allow or overlook any form of harassment, complying with all applicable local laws.
4. Suppliers will not use misleading or fraudulent practices during the recruitment of employees or offering of employment, and Suppliers will not charge employees recruitment fees and will not use recruiters that do not comply with local labor laws of the country in which the recruiting takes place.
5. Suppliers that provide or arrange housing for employees must meet the host country housing and safety standards.
6. Suppliers using sub-contractors to provide goods and services to Snap-on will also be responsible for the sub-contracted party for compliance with this Supplier Code of Conduct.
7. Snap-on reserves the right to monitor Supplier compliance with this Supplier Code of Conduct.

In addition, Snap-on has a Code of Business Conduct and Ethics and requires all Snap-on employees and contractors to comply with the "Snap-on Integrity Principles", which can be found at <http://www1.snapon.com/corporate/codeofconduct.nws>. The Snap-on Integrity Principles include provisions aimed to ensure that human or sex trafficking, slavery, child, prison, and forced labor are not permitted at any Snap-on business partner or supplier operation. Snap-on also has adopted a Policy Against Human Trafficking and Slavery (the "Anti-Trafficking Policy") that applies to Snap-on businesses, employees, agents, subcontractors, and suppliers worldwide when acting within their scope of employment or contract with Snap-on. The policy outlines Snap-on's efforts to seek to eliminate human trafficking, slavery, forced labor and child labor from its global supply chain.

To further support the Snap-on Integrity Principles and the expectations set forth in our Supplier Code of Conduct, Snap-on has "Supplier Agreements" and "Purchase Order Terms and Conditions" in place with all key direct suppliers and ODM (original design and manufacturing) suppliers, requiring them to comply with international standards and applicable laws and regulations regarding forced labor and child labor as specified in the Supplier Code of Conduct.

While Snap-on does not have a formal verification program in place regarding compliance with the Supplier Code of Conduct, Snap-on suppliers and subcontractors who supply any product or service that is incorporated into the products or services Snap-on sells are required to review the Anti-Trafficking Policy and comply with it and with the Supplier Code of Conduct. These suppliers will be required to periodically certify (a) that they have read and understand the Anti-Trafficking Policy and the Supplier Code of Conduct and (b) that they comply with the expectations in the Supplier Code of Conduct and the laws regarding human trafficking, slavery and labor standards of the country or countries in which they do business. Snap-on currently does not perform supplier audits with respect to its suppliers' contractual obligations in this area, although as noted in the Code of Conduct, Snap-on has the right to do so at its discretion.

As part of its mandated annual employee training, Snap-on includes training on human trafficking and slavery to employees responsible for managing other employees as well as those employees responsible for its global supply chain. In addition, Snap-on will provide additional training to members of its global supply chain team, who are tasked with communicating the Anti-Trafficking Policy and Supplier Code to our global suppliers

Snap-on has a zero tolerance policy regarding any of its employees, agents, subcontractors or suppliers who engage in or support the use of slavery, forced, involuntary or coerced labor, child labor, human trafficking or sex trafficking. Failure by a Snap-on employee can result in disciplinary action up to or including termination of employment. If a supplier is found in violation of the Supplier Code of Conduct, Snap-on will require the supplier to take prompt, remedial measures to address the violation, including instituting clear and trustworthy action plans to ensure compliance with the Supplier Code of Conduct. While Snap-on is committed to work with suppliers to improve workplace conditions, Snap-on maintains the right to terminate its relationship, without liability to Snap-on, with suppliers who violate the Supplier Code of Conduct, refuse to rectify deficiencies or fail to provide Snap-on with requested information or certifications.

For convenience, "California Transparency in Supply Chains Act of 2010" compliance declaration is available from Snap-on on the [www.snapon.com](http://www.snapon.com) website. For any additional information, please contact Snap-on at 800-786-6600 or Snap-on's Vice President, General Counsel and Secretary at: P.O. Box 1410, Kenosha, WI USA, 53141-1410.