



POLICY# LAW 01-015	EFFECTIVE DATE: 3/21/2016	PAGES: 3
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LAWSON PRODUCTS' CONFLICT MINERALS POLICY

Introduction

As a responsible company, Lawson Products supports the Dodd-Frank Act's goal of preventing armed groups in the Democratic Republic of the Congo and adjoining countries from benefitting from the sourcing of Conflict Minerals from that region. As an industrial supply distributor of hundreds of thousands of branded and private label products manufactured by thousands of other companies located around the world, Lawson Products is invariably many levels away from the beginning of the supply chain for the products it distributes. Lawson Products does not directly purchase any raw Conflict Minerals from any source and is many levels removed from the mines, smelters, and refiners that produce the metals used in the products manufactured by Lawson Products' suppliers. Nevertheless, this Policy shows Lawson Products' commitment and its expectations for its product suppliers regarding actions to address Conflict Minerals. Lawson Products encourages the manufacturers of the products distributed by Lawson Products to adopt a similar policy for their businesses. Lawson Products is committed to working with its suppliers to educate them on these matters and concerning steps they can take to obtain increased transparency regarding the origin of minerals contained in the products they manufacture and sell to Lawson Products.

Our Commitment

1. We support the aims and objectives of the Dodd-Frank Act concerning Conflict Minerals sourcing by working to educate the manufacturers and suppliers of the products we distribute about Conflict Minerals.
2. We will help our suppliers understand the due diligence steps they can take to investigate the source of any Conflict Minerals in the products they sell to Lawson Products.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law. The Dodd-Frank Act and related 2012 U.S. Securities and Exchange Commission rules require certain companies to disclose whether the products they manufacture or contract to manufacture contain Conflict Minerals necessary for the production or the functionality of the products that are sourced from mines in the Democratic Republic of the Congo or adjoining countries. Conflict Minerals are tantalum, tin, tungsten and gold.



3. We will not continue to source a product containing Conflicts Materials from a supplier if Lawson Products determines that the Conflicts Materials are not Conflict Free and the supplier fails to implement reasonable steps to transition to Conflict Free sources.

Our Expectations of Our Suppliers

1. Suppliers should not include in any products sold to Lawson Products any Conflict Minerals that are not DRC Conflict Free.
2. Suppliers should develop Conflict Minerals policies, due diligence frameworks, and management systems that are designed to prevent Conflict Minerals that are not DRC Conflict Free from being included in the products sold to Lawson Products.
3. Suppliers are expected to source Conflict Minerals only from sources that are DRC Conflict Free. Products are “DRC Conflict Free” if they contain only Conflict Minerals that did not originate in the DRC or an adjoining country, are from recycled or scrap sources, or have not benefitted the armed groups identified as perpetrators of the abuses that are the subject of the Dodd-Frank Act.
4. Suppliers will be expected to implement and communicate to their personnel and suppliers policies that are consistent with this Policy and require their direct and indirect suppliers to do the same.
5. Suppliers will put in place procedures for the traceability of Conflict Minerals, working with their direct and indirect suppliers as applicable.
6. Suppliers will use reasonable efforts to source Conflict Minerals from smelters and refiners validated as being DRC Conflict Free, and require their direct and indirect suppliers to do the same.
7. Suppliers will advise Lawson Products of any determination that the supplier either has concluded or has a reasonable basis to believe that products it currently sells or has sold to Lawson Products are not DRC Conflict Free.

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8. Supplier will maintain reviewable business records supporting the source of Conflict Minerals; and from time to time, at Lawson Products' request, provide Lawson Products with information concerning the origin of Conflict Minerals included in products sold to Lawson Products, which Lawson Products shall be entitled to use or disclose in satisfying any legal or regulatory requirements or in any customer or marketing communications, notwithstanding the terms of any confidentiality agreements that do not specifically reference this paragraph.

Consequences of Supplier Non-Compliance

Lawson Products evaluates its relationships with its suppliers on an ongoing basis. Lawson Products reserves the right to evaluate the extent to which a supplier has failed to reasonably comply with this Policy. Lawson Products reserves the right to request additional documentation from its suppliers regarding the origin of any Conflict Minerals included in any products sold to Lawson Products. Suppliers who do not reasonably comply with this Policy shall be reviewed by Lawson Products' supply chain organization for future business. In the event Lawson Products determines that a supplier's efforts to comply with this Policy have been deficient and the supplier fails to cooperate in developing and implementing reasonable remedial steps, Lawson Products reserves the right to take appropriate actions up to and including discontinuing purchases from the supplier. Nothing in this Policy is intended to in any way grant any additional rights or expectations to a Lawson Products supplier or in any way modify or otherwise limit in any way any of Lawson Products' contractual or legal rights.

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