

Pollington Machine Tool, Inc. Supplier Code of Conduct

1. Introduction

Pollington Machine Tool, Inc. is committed to conducting business in an ethical, socially responsible, and sustainable manner. We hold our suppliers to high standards in business ethics, labor rights, health and safety, and environmental impact. We believe in fostering an environment where human rights, labor standards, environmental sustainability, and business integrity are upheld throughout our supply chain.

Our Supplier Code of Conduct outlines the minimum requirements and expectations we have for our suppliers in line with these core values and responsibilities. This Code complements but does not override any contractual agreements. In the event of any conflict between the Code and a contract, the contract will take precedence. This Code aligns with the Responsible Business Alliance Validated Assessment Program (RBA VAP) Standard. Additionally, it reflects principles from international labor standards, including those set by the International Labour Organization (ILO) while ensuring compliance with U.S. labor laws and regulations such as the Fair Labor Standards Act (FLSA) and Occupational Safety and Health Administration (OSHA) requirements. By partnering with us, suppliers agree to abide by the principles outlined in this document and to ensure compliance throughout their operations.

2. Labor & Human Rights

Pollington Machine Tool believes that every individual has the right to be treated with fairness and dignity. We expect our suppliers to recognize human rights and treat all individuals with respect, as set out in international human rights standards. Suppliers should exercise due diligence in identifying, preventing, and addressing human rights risks within their own operations and supply chains.

2.1. Trafficking, Modern Slavery & Forced Labor

We do not tolerate modern slavery or forced labor in any form, including but not limited to bonded labor, involuntary prison labor, and human trafficking. All labor must be voluntary, and workers must have freedom of movement.

- Prohibit any form of forced labor or human trafficking.
- Workers should retain control over their identity documents and be free to terminate employment without penalty.
- No “security deposits” or restrictions on workers’ movement.
- Implement procedures to assess and mitigate the risks of modern slavery and human trafficking.

2.2. Child Labor

Pollington Machine Tool opposes any form of child labor in our supply chain. Suppliers must ensure that no child labor is used in their operations, and all young workers meet or exceed legal age requirements.

- Prohibit child labor and implement processes to prevent its occurrence.
- The minimum age for employment should meet or exceed local legal standards, or 15 years, except for legally compliant apprenticeship programs.

2.3. Non-Discrimination

We are committed to diversity and equal treatment. Suppliers must ensure equal employment opportunities without discrimination based on race, gender, sexual orientation, religion, or any other characteristic.

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- Prohibit discrimination in hiring, compensation, promotion, and termination.

- Implement policies promoting equal opportunities in the workplace.

2.4. Freedom from Harassment & Abuse

PMT expects a workplace free from any form of harassment or abuse.

- Suppliers must prohibit all forms of verbal, physical, or sexual harassment or abuse.

- Ensure that disciplinary measures are humane and communicated clearly to all employees.

2.5. Working Hours, Wages & Compensation

Suppliers must ensure compliance with applicable laws concerning wages and working hours, and employees must receive fair compensation for their work with only wage deductions prescribed by law.

- Pay employees in line with, or above local minimum wage laws and provide benefits in compliance with the law.
- Ensure that work schedules do not endanger employees’ health or violate legal standards.
- Provide clear information on wages and benefits in a language workers understand.

2.6. Health & Safety

Suppliers are responsible for providing a safe and healthy work environment.

- Ensure that workplaces are safe and comply with health and safety regulations, including emergency preparedness procedures.
- Provide personal protective equipment and safety training for employees.
- Maintain clean facilities, provide access to clean water and sanitation, and ensure workers have access to breaks, including lactation and restroom breaks.
- In cases where housing is provided, ensure that it is safe, clean, and offers sufficient living space.

2.7. Worker Feedback, Participation, and Grievance Mechanism

Suppliers shall provide access to effective grievance mechanisms to allow workers to report violations of practices and conditions outlined in this Code. These mechanisms must ensure confidentiality and protect against retaliation, but specific standards for implementation will be left to the discretion of each supplier.

2.8. Responsible Sourcing

We are committed to sustainable and responsible sourcing, particularly in the areas of energy, minerals, and raw materials. Suppliers must work towards transparency in their supply chains and avoid contributing to human rights violations.

- Conduct due diligence on the source of raw materials and ensure that they are sourced responsibly.
- Adhere to the OECD Due Diligence Guidelines for sourcing materials from conflict- affected regions.

3. Environmental Responsibility

Pollington Machine Tool is dedicated to sustainable energy and

environmental practices. We expect our suppliers to actively work towards reducing their environmental impact by improving resource and energy efficiency, sourcing materials sustainably, and minimizing waste, including air, water, and noise emissions. Suppliers must comply with all applicable environmental laws, regulations, and industry standards, including obtaining and maintaining all required permits, approvals, and registrations while continuously monitoring and managing all production processes. Suppliers should also prioritize minimizing any negative effects on the community while ensuring the health and safety of the public are protected.

3.1. Natural Resource Management & Energy Consumption

Suppliers must monitor and reduce the use of natural resources, including water and energy, and set sustainability targets. Suppliers should strive to minimize resource consumption by:

- Setting sustainability targets for resource efficiency.
- Using renewable and sustainable resources where feasible.
- Reducing waste across the product life cycle through recycling, reuse, and other conservation practices.

3.2. Hazardous Substances

Ensure that hazardous materials are handled, stored, and disposed of safely. Suppliers should protect workers from hazardous substances through safe work procedures, preventative maintenance, and appropriate safety training, including providing compliant Material Safety Data Sheets.

3.3. Emissions & Waste Management

Suppliers should minimize air, water, and soil pollution and adhere to local and international environmental regulations. An effective approach is to establish measurable targets for reducing waste, greenhouse gas (GHG) emissions, and pollution, while continuously monitoring, tracking, documenting, and assessing environmental performance.

4. Business Ethics & Integrity

PMT is dedicated to maintaining the highest standards of ethical conduct in all business operations and across our global supply chain. We expect our suppliers to uphold these standards, promoting honesty, integrity, and fairness in their practices, sourcing, and relationships.

4.1. Bribery & Corruption

Suppliers must adhere to all applicable anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. Suppliers shall not:

- Offer, promise, give, or accept anything of value to gain improper business advantages.
- Engage in corrupt practices, including bribery, extortion, or embezzlement.

4.2. Fair Competition & Antitrust

Suppliers shall comply with all relevant fair trade, competition, and antitrust laws. This includes refraining from:

- Anti-competitive agreements such as price-fixing or market allocation.
- Insider trading based on sensitive company or partner information.

4.3. Intellectual Property & Confidentiality

Suppliers must respect intellectual property rights, ensuring that all transfers of technology or proprietary information are conducted in a way that protects these rights. Unauthorized use or disclosure of confidential customer information is strictly prohibited.

4.4. Data Protection & Privacy

Suppliers must comply with applicable data protection laws when

handling personal information. They must safeguard data from misuse and ensure its secure storage, transmission, and processing in compliance with legal and contractual obligations.

4.5. Transparency & Disclosure

Suppliers must maintain accurate records and transparently disclose both financial and non-financial information in accordance with applicable laws and industry standards. This includes disclosing information related to labor practices, health & safety, environmental impact, and financial performance.

4.6. Product Integrity

Suppliers are responsible for ensuring that products meet or exceed relevant quality and safety standards. Suppliers must also develop processes to mitigate the risk of counterfeit parts and materials being used in products supplied to the company.

4.7. Sanctions & Export Controls

Suppliers must fully comply with applicable international trade sanctions, export control laws, and regulations, including but not limited to Export Administration Regulations (EAR) of the United States, and Office of Foreign Assets Control (OFAC) sanctions.

4.8. Protection of Whistleblowers

Suppliers must maintain mechanisms that ensure confidentiality and protection from retaliation for employees or other stakeholders who report ethical concerns or violations within the supply chain.

5. Management Systems

Pollington Machine Tool believes that sound management systems are essential to ensuring the well-being and resilience of our supply chain. Suppliers are expected to establish or adopt

management systems or protocols to identify and mitigate operational risks and facilitate continuous improvement.

5.1. Governance

Suppliers are expected to establish and maintain robust management systems, comprehensive policies, well-defined procedures, accurate financial documentation, and effective training programs. This includes formal written policies that reflect executive-level commitment and accountability. These systems should be regularly monitored, reviewed, and improved. Suppliers must implement mechanisms for tracking and reporting on the areas covered by this Code. If human rights violations are identified, PMT is committed to working with suppliers to implement timely and effective corrective actions. Suppliers are expected to promptly address any non-compliance issues, and failure to take appropriate remedial measures may result in suspension or termination of the business relationship.

5.2. Compliance, Auditing and Risk Management

Suppliers are expected to perform periodic self-assessments of their own operations and those of their subcontractors to ensure compliance with this Code, while Pollington Machine Tool reserves the right to verify compliance through mechanisms such as self-assessment questionnaires and external audits, if necessary. The supplier agrees to adopt and implement the standards set forth in this Supplier Code of Conduct and shall require its subcontractors, vendors, and other business partners to adopt equivalent principles. The supplier is responsible for ensuring compliance throughout its supply chain and shall provide documentation or evidence of such compliance upon request. Additionally, suppliers must establish systems to identify and manage risks related to legal compliance, environmental, health and safety, labor practices, and ethics, with general guidelines provided to accommodate diverse industries.

Revised Date: 2/24/2025

Approved By: Tom Wenn, General Manager