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APPROVED

Jeff S. Gilliam, C.F.O. & Treasurer

## **SUPPLIER CODE OF CONDUCT**

Hickory Springs Manufacturing Company (including its subsidiaries and affiliates, “HSM”) is committed to conducting business with the highest ethical standards. Maintaining these standards has never been more important than in today’s competitive and rapidly changing business climate.

This HSM Supplier Code of Conduct (“Code”) sets HSM’s expectations and standards for doing business and applies to suppliers, vendors, agents, distributors, dealers, contractors, intermediaries, joint venture partners and other business partners (“Business Partners”) of HSM. This Code can also be found on HSM’s website: [www.hsmsolutions.com](http://www.hsmsolutions.com).

The highest legal, moral and ethical standards of honesty, integrity and fairness are to be practiced in the conduct of HSM’ affairs. In order to meet this standard, HSM expects each of its Business Partners to operate and act in compliance with this Code and all applicable laws and regulations. HSM expects that Business Partners will hold their suppliers and other third parties to the same standards, and as such this Code also applies to affiliates and subcontractors of Business Partners and to their respective facilities to the extent those facilities supply goods and services for ultimate sale to or use by HSM.

HSM reserves the right to assess conformance to these requirements and will expect our Business Partners to correct non-conformance issues identified during assessments. Upon request, Business Partners will provide HSM with information to enable it to assess conformance with the Code. If a Business Partner refuses or is unable to correct the non-conformance to our satisfaction, we may impose corrective actions up to terminating the relationship.

This Code consists of four parts: Employee Code of Conduct, Responsibility of Business Partners, HSM’ Commitment to Business Partners, and Resolving Code or Ethics Issues. After reviewing this Code, the Business Partner will be aware of HSM’s expectations of its Business Partners.

### **I. EMPLOYEE CODE OF CONDUCT**

HSM holds all of its employees, officers, and directors, when they are acting in connection with their official HSM duties, to the policies set forth in HSM’s Employee Handbook (“Code of Conduct”).

HSM is committed to following the laws and regulations applicable to the locations in which we operate. Where this Code differs with local laws, we aspire to follow the higher standards unless



actions required by the Code are prohibited by local law. Compliance with the Code and applicable laws are the minimum standard of conduct. All employees are expected to act with the highest business ethics in all HSM activities and transactions.

## **II. RESPONSIBILITY OF BUSINESS PARTNERS**

The following describes the responsibilities of Business Partners doing business with HSM. These highlight our expectations of our Business Partners, over and above any other contractual agreements such as supply, agent and distribution agreements and purchase orders. HSM reserves the right to amend this list of responsibilities. Please contact your HSM business contact with any questions regarding this Code and/or its applications.

Business Partners are expected to adhere to the following requirements:

**Legal Requirements.** Will comply with all applicable national, state or regional, and local laws and regulations in the countries in which they operate.

**Quality.** HSM is committed to building high quality products. To ensure that we are providing safe and innovative products to our customers, we manufacture our products in compliance with all applicable laws and regulations. Similarly, HSM expects our suppliers to assure the quality, safety and performance of the products and services they provide us. This way, we can assure the quality and safety of the products and services we provide our customers.

**Wages and Benefits.** Will comply with all applicable wage and hour laws and regulations and provide legally mandated benefits

**Child Labor.** Must not employ workers younger than the local, legally required minimum age. In the absence of local law, Business Partners shall not employ children under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, shall not employ workers under the age of 14.

**Freedom of Association.** Will provide employees with the right to freely associate, organize, and bargain collectively within the legal framework of the respective country

**Limitations on Gifts and Gratuities (no quid-pro-quo) & No Conflicts of Interest.** Will under no circumstances accept nor give payments or gifts to HSM directors, officers, employees, or third parties in exchange for business opportunities. Business Partners must avoid any situation that has the potential to influence their independence or personal judgment when engaged in business dealings with HSM. Business Partners must have appropriate controls and oversight in place to prevent conflicts of interest from affecting procurement and financial decision making.

**Forced Labor - Physical Coercion.** Will not use forced, bonded, indentured or slave labor.

**Antitrust and Competition Laws.** Will comply with all applicable antitrust and competition laws which prohibit agreements or actions that unreasonably restrain trade, are deceptive or misleading, or unreasonably reduce competition without providing beneficial effects to consumers. Price-fixing, bid-rigging (collusive tendering) and market/customer allocations are all strictly prohibited.



**Human Rights.** Will not violate basic human rights of life, liberty and security. There shall be no harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers. Business Partners shall not discriminate against their employees or applicants for employment with respect to compensation, terms, conditions or privileges of employment, and shall provide a workplace free of harassment on the basis of any protected category under applicable law, such as race, color, religion, national origin, gender, age, sexual orientation, as well as union membership or political affiliation.

**Environment.** Maintain an effective environmental policy and conduct their operations in a way intended to protect the environment. Will obtain and keep current all required environmental permits and meet all applicable environmental rules, regulations and laws in the countries where they do business.

**Health and Safety.** Will provide a safe work environment and conduct themselves in a manner consistent with all applicable safety standards, including governmental requirements, operations and facility-specific safety requirements, and contractual requirements. Identify and respond to any public health impacts of their operations and use of their products and services.

**Anti-Corruption and Bribery.** Under the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws, must not give or offer “anything of value” to a foreign government official or employee of a state-owned enterprise, including gifts and hospitality. Anything of value can include bribes, kickbacks, gifts, entertainment and even contributions to a foreign government official’s favorite charity.

**No Retaliation.** Employ a no-retaliation policy that permits workers to speak with HSM staff without fear of retaliation by Business Partner management.

**Confidentiality.** Keep all agreements and HSM customer information confidential including pricing and marketing allowances and all HSM product specifications. Business Partners shall safeguard and make only proper use of confidential information to ensure that company, worker, and personal privacy rights are protected. Business Partners must communicate with integrity and in accordance with any confidentiality agreements, disclose information in a timely and appropriate manner, and maintain accurate company books and records. Must also have appropriate processes to archive and retrieve records that are relevant to investigations or litigations.

**Global Trade Compliance.** Never seek to mislead or improperly or illegally avoid the payment of import duties, taxes and fees, and never engage in activities meant to evade the legal requirements of international traffic and trade. Know with whom they are dealing and must not engage in or facilitate business with entities or any other individuals specifically prohibited by law. Furthermore, be aware of, and comply with, restrictions on dealing with entities and individuals located in countries that are subject to trade embargoes or economic sanctions imposed by the United States and other countries.

**Conflict Minerals.** HSM does not support the use of minerals or their derivatives, including tantalum, tin, tungsten and gold (“3TG”), that are illegally mined, transported or traded



because of the role such minerals play in financing armed conflict in the Democratic Republic of the Congo and the adjoining countries, as well as in other high-risk and conflict-affected areas around the world. It is our policy to exercise due diligence over our supply chain in a manner consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We solicit our suppliers of material and components containing 3TG to complete the Responsible Minerals Initiative's Conflict Minerals Reporting Template no less than annually. In doing so, suppliers are expected to promptly respond to each solicitation and, if applicable, identify the smelters or refiners that processed the 3TG in their supplied products along with the country of origin of such 3TG.

**Management System**. Adopt or establish a management system that supports the content of this Code. Drive continuous improvement in these areas. Hold your suppliers, contractors, and distributors to these same standards.

**III. HSM'S COMMITMENT TO BUSINESS PARTNERS.** HSM's relationships with its Business Partners must be characterized by honesty and fairness. We will hold our Business Partners to the same standards and expectations to which we hold our own operations and employees.

**IV. RESOLVING CODE OR ETHICS ISSUES; CERTIFICATION OF COMPLIANCE.**

Employees of Business Partners are encouraged to work through their own company to resolve internal ethics issues.

However, Business Partners will immediately report violations of this Code or any unethical behavior by either calling HSM's anonymous reporting hotline at: **1-800-254-1858**, or contacting HSM's Chief Financial Officer, HSM's VP of Procurement and/or Chief Legal Officer.

Except as required by law, persons reporting concerns may request that they remain anonymous. HSM makes every attempt to protect the confidentiality of information provided to it — unless maintaining confidentiality would create a significant health, safety or legal risk.

At any time, upon written request from HSM, a Business Partner may be required to deliver a certificate, signed by an authorized officer of such Business Partner, affirming that it is in compliance with this Code, including delivering supporting documentation supporting or evidencing such certification and compliance.