

CODE OF CONDUCT

Mills CNC: Supplier Code of Conduct

Mills CNC, the exclusive distributor of DN Solutions' and Zayer machine tools in the UK and Ireland, is committed to upholding the principles of human and equal rights, protecting and sustaining the environment and combating bribery and corruption across and throughout our operations.

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Vision and mission

Mills CNC, the exclusive distributor of DN Solutions' and Zayer machine tools in the UK and Ireland, is committed to upholding the principles of human and equal rights, protecting and sustaining the environment and combating bribery and corruption across and throughout our operations.

We expect our suppliers to uphold these same principles and be committed to values of conduct that are compatible with our own.

This Supplier Code of Conduct outlines Mills CNC's guidelines and expectations,

Content in this Code is informed by the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the

United Nations Convention against corruption, as outlined in the ten principles of the United Nations Global Compact.

We believe that by adhering to these principles and conventions we create a solid foundation for a sustainable future for us, our customers, partners and our stakeholders.

We take responsibility for the suppliers we work with and expect from them the same level of integrity, honesty and ethical behaviour as they can expect from us.

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Together, we must take into consideration the economic, environmental and social impact our activities have on our world. To ensure that this is the case we have developed our Supplier Code of Conduct, and we require our suppliers (direct and indirect) to make every effort to comply with it.

EXPECTATION FOR SUPPLIERS

It is important that every supplier confirms that it complies with the legal requirements and standards of its industry, and maintains accurate books and records demonstrating compliance with these legal requirements and standards.

Our suppliers are expected to align with the following standards and are encouraged to exceed the requirements set out in this Code. We recognise that some suppliers may operate in different legal and cultural environments, and we are willing to evaluate alternative approaches if suppliers have found better solutions than those identified in this Code.



Human and Labour Rights

It is important that our suppliers treat their employees fairly, with dignity and respect, and that they respect human rights and avoid causing, contributing to or being linked to other parties' involvement in abuse of or in contravening labour and universally recognised human rights.

1) CHILD LABOUR

REQUIREMENTS

It is self evident that suppliers should not use, nor support any use of, child labour and child exploitation.

It is important that the supplier maintains documentation that confirms each employee's date of birth, or has legitimate means of confirming every employee's age.

The minimum age for admission to work is 16 years old (in the UK). Suppliers must ensure that all new employees have completed compulsory school before entering into employment.

SPECIFIC GUIDELINES

A supplier must ensure that workers under 18 are not allowed to:

- Work in hazardous conditions or those that require handling hazardous materials in an unsafe manner.
- Work for more than 8 hours per day.
- Work primarily at night.

2) VOLUNTARY EMPLOYMENT/FORCED LABOUR

REQUIREMENTS

It is critical that suppliers employ their employees on a voluntary basis and do not use illegal, bonded or forced labour, or engage in any other forms of slavery or human trafficking.

SPECIFIC GUIDELINES

A supplier must ensure that:

- They have not required employees to deposit original identification documentation (such as passports or work permits), travel documents or any other personal documents upon commencing employment with them.
- Throughout the recruitment process and employment period, they have not collected deposits (monetary or other) from employees.
- All overtime work is consensual.
- They do not withhold or delay payment of employees' salaries, or use unlawful disciplinary practices, for example, financial penalties such as unfair or illegal deductions from wages, withholding wages or discontinuing benefits as a disciplinary measure.
- Employees are not confined or are subject to restrictions on freedom of movement.
- They do not source or use raw materials or products with any association to forced labour or human trafficking.
- They only use legitimate and reputable recruitment agencies that are properly licensed to operate.

3) MIGRANT LABOUR

REQUIREMENTS

It is required that a supplier recognises the unique legal, social, and cultural situations that migrant workers face and ensures that such workers are treated with dignity, respect and in accordance with the same standards that apply to other workers.

SPECIFIC GUIDELINES

- A supplier must provide working conditions (wages, hours of work etc.), to migrant workers which are lawful and comparable to those of other workers performing the same or similar tasks.
- The supplier will verify the legal status of migrant workers and ensure that only those with valid work permits/documentation issued by the appropriate government authority are employed.
- The supplier will not hold/confiscate official identity documents including passports, work permits, birth certificates of migrant workers.



Conflict materials

Conflict minerals are minerals mined in areas of armed conflict and human rights abuses, and which are sold or traded by armed groups. Minerals covered include:

- 1. Cassiterite: An ore from which tin is extracted used in plating and solders for joining pipes and electronic circuits.*
- 2. Columbite-tantalite: An ore from which tantalum is extracted used in electrical components (including those used in mobile phones, computers, video game consoles), aircraft and surgical components.*
- 3. Gold: A rare metal found in a native (pure) form and obtained as a by-product of other mining operations, used in jewellery, electronics, communications and aerospace equipment.*
- 4. Wolframite: An ore from which tungsten is extracted and used in metal wires, electrodes and contacts in lighting, electronics, electrical, heating and welding applications.*

REQUIREMENTS

The Supplier will not engage in business activities (directly or through third party supply chains) that contribute to, or support, conflict.

SPECIFIC GUIDELINES

- The Supplier will create robust oversight procedures and policies to assess and ensure that do not use conflict materials.
- The Supplier will be able to provide and have evidence (i.e. through proof of origin documentation), that they have not sourced/are not sourcing conflict materials. And that their trade or production have not contributed to conflict financing or human rights abuses (i.e. through due diligence and certification).



Counterfeit Materials

REQUIREMENTS

The supplier must have in place adequate arrangements to mitigate the risk of counterfeit material.

SPECIFIC GUIDELINES

The supplier must be able to provide evidence of a verification process to ensure that products/materials are not counterfeit and that a process to control suspected counterfeit products or materials is in place to ensure they do not re-enter the supply chain. If you believe you have supplied us with counterfeit products, you must make us aware immediately.



Supplier Declaration of Compliance

Mills CNC is following UK government guidance in response to Russia's invasion of Ukraine, and provide our goods in line with the government sanctions aimed at encouraging Russia to cease actions that a) destabilise Ukraine, or b) undermine or threaten the territorial integrity, sovereignty or independence of Ukraine.

REQUIREMENTS

The Supplier must ensure that all shipments arising from Purchase Orders, as well as VMI orders will adhere to the following:

1. Prohibition on the import of iron and steel originating from Russia.
2. Restriction on products processed in Third Countries:
 - Effective from September 2023, a prohibition on importing into the UK, iron and steel products when the following criteria are met:
 - a) Is listed in Schedule 3B of the Russia Regulations.
 - b) Has been altered, transformed (in any way), or has been subjected to any operation or process undertaken in/by a third country.

- c) Incorporates one or more Schedule 3B iron and/or steel products of Russian origin.

SPECIFIC GUIDELINES

In addition to the terms of the Purchase Order, the supplier agrees to:

- Provide evidence of the origin of goods with every consignment containing steel or iron by way of a MILL TEST CERTIFICATE (or other approved-in-advance documentation).
- A declaration on the invoice that steel or iron products do not/have not originated from Russia.



Abuse, harassment, disciplinary action

REQUIREMENTS

The supplier will not engage in physical, mental, verbal, sexual or any other abuse, inhumane or degrading treatment, corporal punishment or any form of harassment.

The Supplier will treat all employees with respect and dignity and comply with legislation regarding disciplinary practices.

SPECIFIC GUIDELINES

- The supplier will maintain formal written disciplinary procedures, and these procedures must be clearly communicated to all employees and prospective employees. All disciplinary measures must be recorded and the employee(s) affected by disciplinary action must acknowledge the action in writing.
- The supplier will not establish monetary fines and/or take deductions from wages for disciplinary reasons.
- The supplier will establish written and/or verbal procedures for handling grievances from workers concerning workplace conditions and treatment.



Fair and equal treatment

REQUIREMENTS

The supplier's terms and conditions of employment, including hiring, training, working conditions, compensation, benefits, promotions, discipline, termination or retirement, are based on the individual's qualifications, performance, skills, and experience.

SPECIFIC GUIDELINES

The supplier must maintain workplaces that are free from discrimination on the basis of race, colour, age, sex, gender or gender identity, caste, political opinion, national origin, religion, marital status, sexual orientation, disability, maternity, membership, affiliation etc.



Compensation and benefits

REQUIREMENTS

The Supplier is required to compensate fairly all employees by providing wages and benefits in accordance with all applicable laws.

SPECIFIC GUIDELINES

- The Supplier must ensure that wages paid for all hours worked meet at least the legal minimum wage threshold.
- The Supplier must pay employees on time, in accordance with legal requirements; in all circumstances, wages must be paid on at least a monthly basis.
- The Supplier must meet all legal requirements for the payment of overtime and incentive rates. The supplier must pay overtime at a premium rate or at a rate at least equal to the normal rate
- The Supplier provides all legally mandated benefits, such as public holidays, paid vacation/annual leave, sick days and maternity/paternity/family leave etc.
- The suppliers, where reasonably possible, must provide all workers (permanent, temporary, seasonal, domestic and migrant) with a written contract of employment in the appropriate language that includes a description of job duties, benefits, disciplinary procedures, and notice periods.
- The Supplier will provide each employee with an itemised wage statement. The statement must include, at a minimum, amount of pay, pay period, rate of pay, regular and overtime hours worked, deductions and benefits etc.



Freedom of association and collective bargaining

REQUIREMENTS

The Supplier will respect the right of employees to form and join trade unions and bargain collectively in a lawful and peaceful manner, subject to and in accordance with the law.

SPECIFIC GUIDELINES

- The Supplier will comply with all applicable laws that pertain to freedom of association and collective bargaining.
- The Supplier will not discriminate on the basis of affiliation or non-affiliation.
- The Supplier will not allow interference by management in the organisation of workers. The Supplier will not subject its employees to harassment, intimidation, or retaliation in their efforts to freely associate or bargain collectively.
- The Supplier must provide confidential and anonymous means for employees to raise grievances and record this process.



Working hours

REQUIREMENTS

The Supplier must comply with all applicable laws regarding regular working hours, rest periods and overtime hours.

SPECIFIC GUIDELINES

- The Supplier must provide workers with at least 24 consecutive hours of rest during every 7 day period
- The Supplier will not require a work week over 60 hours, including overtime, unless operational circumstances require a temporary increase in working hours. The Supplier must consult with

employees about the temporary increase in working hours and provide compensatory time off for these additional hours or overtime compensation at a premium rate.

- The supplier does not force employees to work overtime, and employees will not be punished, penalised, or dismissed for refusing to work overtime.



Health and Safety

REQUIREMENTS

The Supplier must comply with all applicable laws relating to health and safety in the workplace.

SPECIFIC GUIDELINES

- The Supplier must provide a safe, clean, healthy, and productive work environment, including the provision of clean drinking water to all workers and an adequate number of washing and toilet facilities for both males and females.
- The Supplier will provide workers with written health and safety information, instructions and warnings. These will include Fact/Data Sheets that describe toxic or hazardous substances used in the workplace and instructions how to properly manage the handling of all dangerous substances and machinery.
- The Supplier will provide all appropriate personal protection equipment (PPE)
- The Supplier must adequately train employees on applicable local workplace safety practices, including emergency evacuation procedures. The Supplier will provide systems and training designed to help prevent accidents and injuries.
- The Supplier will maintain records of health and safety training and accidents and injuries at/in the workplace.
- The Supplier will establish and maintain appropriate first aid equipment at their facility and make it available to workers at all times. The location of the equipment shall be prominently marked and communicated to workers.
- The Supplier will provide adequate access to medical facilities, fire exits and fire-fighting and safety equipment.



The Environment

REQUIREMENTS

The Supplier must comply with all applicable environmental laws and regulations. It is important that the Supplier continuously strives to improve environmental performance.

SPECIFIC GUIDELINES

- The Supplier will document and maintains records of compliance with local and national environmental laws and regulations, including environmental permits and reporting requirements.
- The Supplier will handle and store hazardous materials and waste, have a plan for dealing with discharges of hazardous wastes, and will dispose of them in a safe and legal manner.
- The Supplier will ensure that relevant staff have been adequately informed about the company's significant environmental impacts and trained on the company's environmental management system.
- The Supplier will minimise and monitor its impact on the environment where possible through a reduction in greenhouse gas emissions, energy efficiency initiatives, reduction and recycling of natural resources, including water and paper/packaging materials.



Ethical business practices

REQUIREMENTS

The Supplier will conduct its business in accordance with the highest standards of ethical behaviour and in accordance with all applicable laws and regulations.

SPECIFIC GUIDELINES

- The Supplier shall have written policies prohibiting bribery, corruption and similar prohibited business practices.
- The Supplier must train its employees, consultants, partners, subcontractors on the its rules and procedures related to ethical business practices.
- The Supplier will not offer or accept bribes or other means of obtaining undue or improper advantage.
- The Supplier will not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of fair competition laws or antitrust laws that govern the jurisdictions in which it conducts business.
- The Supplier will respects the intellectual property rights of others, and will take appropriate steps to safeguard and maintain confidential and proprietary information.



Privacy Policy

Mills CNC is committed to ensuring that company and personal information is protected. Our Privacy Policy applies to the information we collect about employees, businesses that use our services, or other individuals who interact with us (for example, information collected via our website or social media platforms).

REQUIREMENTS

It is anticipated that the Supplier will have in place their own Privacy Policy covering the collection, storage and use of data

SPECIFIC GUIDELINES

Supplier Privacy Policies will cover:

- What type of personal information/data is collected...and for what purpose.
- The extent of personal data communication to any third party.
- The security measures in place to protect and safeguard data.
- Review measures and procedures to ensure policy compliance.



Compliance

REQUIREMENTS

The Supplier must comply with the legal requirements and standards of its industry under all applicable laws, and maintain accurate books and records demonstrating compliance with such laws and these standards.



Management and monitoring

We encourage our suppliers to strive towards continual improvement, and to establish, implement and maintain recognised management systems and standards related to the areas described in The Supplier Code of Conduct

Risk assessment, implemented policies, processes and routines, clearly communicated roles and responsibilities, relevant training and instructions, establishment and performance evaluation of measurable goals, along with functioning control systems, serve as the foundation for a successful implementation of The Supplier Code of Conduct.

All business relations between Mills CNC and our suppliers must be based on honesty, trust and cooperation. By accepting The Supplier Code, the supplier commits to working proactively to meet these requirements within its own operations and supply chain. This should be achieved by cooperating in a transparent manner with Mills CNC, for example, by completing self-assessments and granting Mills CNC personnel, or a third party of Mills CNC's choice, access to relevant premises and information to conduct onsite audits, including permission to conduct interviews with employees and access to accurate and complete documentation and records related to The Supplier Code of Conduct.

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We expect our suppliers not to mislead us. Violation of The Supplier Code of Conduct will create a negative impact on the business relation with Mills CNC including, but not limited to, the risk of contract termination.

It is the responsibility of the supplier to ensure that its sub-contractors comply with The Supplier Code of Conduct or comparable requirements. We require our suppliers to evaluate and monitor their supply chain, and collect relevant information regarding the supply chain's compliance to be given to Mills CNC upon request.

Mills CNC treats all business and personal information received in a responsible manner and take measures to ensure that this information remains confidential.

We encourage our suppliers to report violations of The Supplier Code of Conduct to Mills CNC.

We welcome an active dialogue with our suppliers on issues related to The Supplier Code of Conduct or other questions concerning sustainability. We will do our utmost to respect and protect any person speaking up against violations of The Supplier Code of Conduct.

