

HYDRAULIC TECHNOLOGIES 2020 UK Modern Slavery Act

Disclosure Statement

This Statement is made pursuant to Section 54(1) of the Modern Slavery Act and constitutes HYDRAULIC TECHNOLOGIES's Slavery and Human Trafficking Statement for the fiscal year ending December 31, 2020. HYDRAULIC TECHNOLOGIES is committed to maintaining and enhancing its internal policies and procedures, as well as its supply chain practices, to ensure that no form of forced labor or human trafficking takes place in or in connection with the Company's operations. This commitment is consistent with the Company's key core value to never compromise ethics and integrity. In furtherance of these commitments, as detailed below, HYDRAULIC TECHNOLOGIES has implemented policies, processes and controls to mitigate forced labor and human trafficking risks.

Code of Business Conduct

HYDRAULIC TECHNOLOGIES's Code of Business Conduct ("Code") governs the activities of all employees, officers and directors ("HYDRAULIC TECHNOLOGIES Personnel"). The Code requires HYDRAULIC TECHNOLOGIES personnel to comply with the letter and spirit of every applicable law or regulation in each country and locality in which the Company operates, which includes laws and regulations prohibiting forced labor and human trafficking. The Code, specifically prohibits all forms of forced labor, slavery and human trafficking:

"We prohibit forced labor, slavery and trafficking in persons. Employees, contractors, subcontractors, vendors, suppliers, partners and others through whom HYDRAULIC TECHNOLOGIES conducts business must not engage in any practice that utilizes child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive, misleading or corrupt employment practices resulting in forced labor, slavery or human trafficking, including (i) destroying, concealing, confiscating or otherwise denying access to an individual's identity or immigration documents, such as passports or drivers' licenses, and (ii) failing to disclose during the recruitment process, or making material misrepresentations concerning key terms and conditions, including wages, benefits, work location, living conditions, housing, transportation and associated costs."

As such, the Code broadly prohibits any involvement in forced labor and human trafficking, in all their manifestations, in every country in which HYDRAULIC TECHNOLOGIES conducts business.



Suppliers/Supply Chain

The nature of the goods and services the Company procures within its Supply Chain typically are not produced utilizing the type of unskilled labor that are at risk for forced labor and human trafficking. In any event, HYDRAULIC TECHNOLOGIES sources goods and services from reputable suppliers and will not conduct business with suppliers for which the Company knows or has reason to know engage in forced labor or human trafficking. HYDRAULIC TECHNOLOGIES's (www.Hydraulictechnologies.com) Global Terms and Conditions of Purchase ("Global Terms") obligates suppliers to (i) adhere to anti-slavery and human trafficking laws and ethics standards, (ii) upon request, provide written certification of compliance with these laws and standards, and (iii) permit HYDRAULIC TECHNOLOGIES to conduct confirmatory audits:

"Seller further represents and warrants that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive or corrupt employment practices, in the supply of goods or provision of services to Buyer ... Failure of Seller to comply with this Section constitutes a material breach of these Terms, and Buyer may immediately terminate this Agreement and/or any outstanding Order(s) ... At Buyer's request, Seller shall certify in writing Seller's compliance with any or all of the foregoing and/or permit Buyer to audit such records as reasonably necessary to confirm Seller's compliance with this Section 12."

A supplier's violation of its anti-forced labor and human trafficking commitments constitutes a material breach of the Global Terms warranting immediate termination of its contract and all outstanding orders with HYDRAULIC TECHNOLOGIES.

Training

The Company requires all HYDRAULIC TECHNOLOGIES Personnel within its supply chain, sourcing and procurement functions to complete anti-forced labor and human trafficking training on a regular, periodic basis. The training is designed to educate employees concerning the various forms forced labor and human trafficking take, sensitize HYDRAULIC TECHNOLOGIES Personnel to indicators of any such activities occurring within the supply chain, and emphasize their obligations to report suspected non-compliance with applicable laws and ethical standards.

Conclusion

HYDRAULIC TECHNOLOGIES recognizes and understands the importance of the Modern Slavery Act's goals and objectives. The Company is committed, on an ongoing basis, to reviewing and assessing risks as well as developing and implementing control enhancements to ensure compliance with its staunch commitment to maintaining Company operations free from any form of forced labor and human trafficking. The Board of Directors of HYDRAULIC TECHNOLOGIES, Inc. approved this Statement.