

PennEngineering®

# Code of Conduct 2026



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# Dear Colleagues,

PennEngineering has a proud history of more than 80 years, and we recognize that our future success will be both achievable and sustainable only if we always act in a manner consistent with our Core Values of Customer Focus, Innovation, Respect, Collaboration, and Integrity. We expect our managers to actively foster and model the Core Values within our teams, and each one of us, regardless of position, must always comply with all laws, regulations, and company policies. We expect a similarly high standard of integrity from the vendors, suppliers, and business partners with whom we work.

How you act at work matters. The Global Code explains PennEngineering's expectations of you and will help ensure each of us do the right thing at all times, everywhere we operate. Please take time to read this Code, keep it in mind and use it, along with your local policies and procedures, to guide your decisions and actions.

If you have questions about what's right, seek guidance, whether with your manager, your local HR manager, PennEngineering's General Counsel, or our Vice President of HR and Talent. Similarly, you can submit an email to [speakup@pemnet.com](mailto:speakup@pemnet.com) with any concerns you may have about potential misconduct. PennEngineering® will undertake the appropriate review or investigation, and we will not permit any reprisal against you for a report made in good faith.

Through these actions, we intend to protect our reputation and maintain the trust of all of our stakeholders including employees, customers, regulators, and shareholders.

Thank you for joining me in an unwavering commitment to our Core Values.

**Pete George, CEO**

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# PennEngineering Core Values and Behaviors

Our Core Values are the beliefs and principles we share. These are the elements that best describe the type of company we are and strive to be. Our behaviors are the expression of Our Core Values through our day-to-day actions. When there is alignment between Our Core Values and behaviors, our company culture flourishes. At PennEngineering, our Core Values and behaviors ensure a common understanding of who we are and what we stand for all over the world.

Our Code of Conduct serves as our guide to ethical and responsible business conduct. What sets PennEngineering apart is our passion for what we do and our shared standard of excellence.

As our business evolves over time, our Core Values remain constant. We know it's not just about what we do but how we do it.

We know the way we work matters because what we do matters.

Value	Customer Focus	Innovative	Respect	Collaboration	Integrity
<b>Definition</b>	We have a passion for creating customer value -- from delivering high quality products to partnering with them to solve even the toughest challenges.	We empower our people to be agile, curious, creative and to continuously challenge the status quo in the pursuit of new products and solutions.	We are supportive, inclusive and care for one another, our customers and our communities.	We are stronger together in how we work and communicate with each other, our customers and our partners.	We are stewards of the business taking a long-term view when making decisions and we do the right thing even if it's not easy.
<b>Behaviors</b>	<p>As a trusted partner that is humble in our interactions, we put the needs or problems of our customers first -- we're not satisfied until they are.</p> <p>Set the standard of excellence in high quality product and services.</p> <p>Act with urgency and speed in responding to customer challenges and requests.</p>	<p>Be a pioneer -- seek new and different ways to approach product development, processes and the way we work together.</p> <p>Lead the way forward and stretch to achieve what may initially feel beyond reach.</p> <p>Take smart risks and accept that not all solutions and ideas will succeed, but all can be learned from.</p>	<p>Be generous in listening, open to different viewpoints, and be flexible in your own.</p> <p>Have empathy and offer your support to customers, colleagues and communities.</p> <p>Foster a respectful environment where everyone belongs -- regardless of background and beliefs.</p>	<p>Reach across silos and build diverse teams.</p> <p>Work and learn from one another, leveraging individual expertise for collective benefit.</p> <p>Build trust by communicating openly and transparently.</p>	<p>Say what you mean and do what you say -- be honest and ethical in all your interactions and expect the same in return.</p> <p>Hold yourself accountable and have the courage to admit mistakes.</p> <p>Keep each other committed to the highest standards -- work safely and sustainably.</p>

## WHY DO WE HAVE A CODE?

To remind ourselves that as our work environment becomes increasingly global and competitive, we must continue to be stewards of our business and run it based on our Core Values. This document reflects our Core Values, internal policies, voluntary commitments, and principles.

Through our work and dedication, each of us contributes to the good reputation of PennEngineering in society and in the industry. This can only happen if our stakeholders trust us and our products. We must earn and renew this trust every day.

## WHO MUST FOLLOW THE CODE?

We are all accountable to take responsibility, to show integrity and to do the right thing. Our Code of Conduct applies equally and without exception to all of us. Only by combining our success in business with a responsible approach can we meet our objective of developing and offering products that delight our customers.

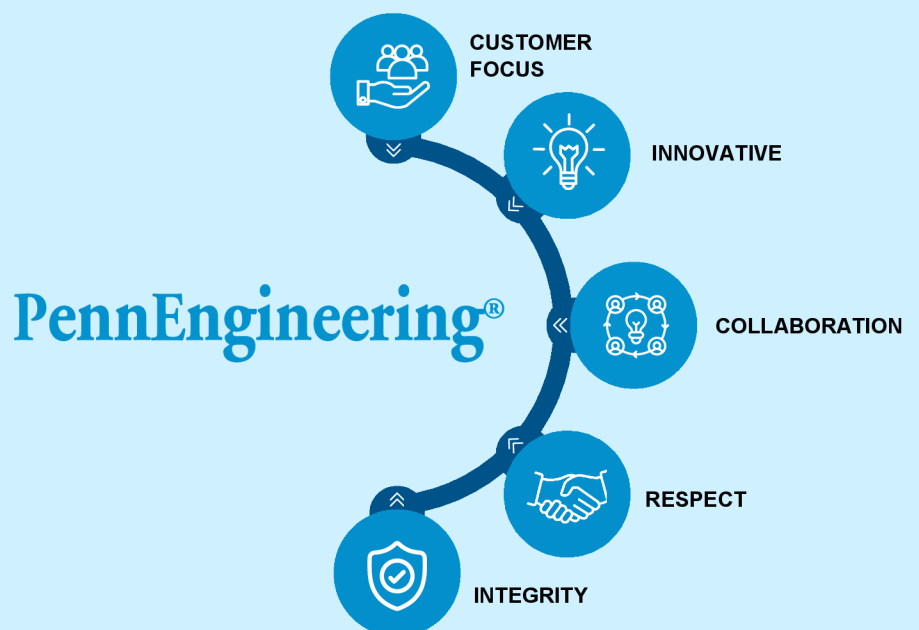
## HOW SHOULD I USE THE CODE?

The Code includes examples in each section of how to put its principles into action. Employees are trained regularly on all elements of the Code. If you are uncertain about how the Code applies to particular situations, please contact your manager, HR manager, the Vice President of HR and Talent, or the General Counsel..

## WHAT HAPPENS IF SOMEONE VIOLATES THE CODE?

Incorrect behavior by any individual can threaten our relationships with stakeholders. It can break trust with customers and with the public. A violation of the global code may be addressed by further education, or it can lead to corrective action up to termination. In regions where a violation of this global code is also a violation of the legal, labor or human rights requirements of those regions or countries, code violations may also lead to fines and claims for damage.

**Our Core Values  
are the glue that  
drive us as a  
company,  
through  
expansion and  
change, and  
make us who we  
are today.**



# A Safe and Respectful Workplace

## SAFE AND HEALTHY WORKPLACE

*Occupational health and safety is our number one priority.* We take steps to prevent accidents and occupational illnesses in the workplace, and we want our employees to work in a work environment where health and wellness are promoted.

### ➤ To do this we:

- Use good judgment and act in a manner that is safe for you and others.
- Report safety concerns and work-related injuries or illnesses.
- Never joke about violence.
- Report any violent threats or warning signs from others.
- Comply with applicable health and safety regulations.

## A RESPECTFUL WORKPLACE

Dignity and mutual respect for human rights are at the heart of our interactions with each other, business partners and anyone we encounter in a business setting. We do not allow harassing behavior or discrimination based on personal characteristics like gender, age, nationality, ethnicity, skin color, political views, sexual orientation, religious beliefs, social background, or physical ability. We want a healthy and encouraging work environment that is inclusive of all individuals and where our colleagues are embraced regardless of their beliefs and cultures. Disrespectful behavior can lead to disciplinary action, up to and including termination.

### ➤ To do this we:

- Abide by the labor and human rights requirements of all countries where we do business.
- Allow employees freedom of association with workers' rights or non-governmental groups. This includes the right for them not to associate against their will.
- Allow employees freedom of expression and belief.
- Treat colleagues, customers and business partners with courtesy, dignity, and respect.
- Show appreciation for diversity of people, views, and work styles.
- Never discriminate against job candidates or employees.
- Avoid speaking generally about groups, including specific racial, gender, or religious groups.
- Avoid discussion of political views with colleagues, customers, and business partners.
- Forbid harassment and encourage employees to speak up if they see harassment take place.
- Acknowledge the positive influence of different cultures or values and behaviors.
- Take actions to prevent bias from influencing our behavior.

## SPEAK UP

PennEngineering maintains a dedicated Reporting Hotline at +1-215-766-1000 or [speakup@pemnet.com](mailto:speakup@pemnet.com) for employees, contractors, customers, suppliers, community members and third parties to safely voice concerns related to perceived violations of this Code of Conduct.

All reports will be handled as confidentially as possible while still allowing PennEngineering to perform a proper investigation.

## RETALIATION IS NOT TOLERATED

PennEngineering has a no-retaliation policy. No one can take action against you for raising good faith concerns about potential violations of the Code of Conduct or any of PennEngineering's policies or standards. If you feel that you are being retaliated against, report it immediately.

# Deliver Product Quality

## Quality Policy

PennEngineering commits to the timely delivery of products with the highest level of quality and performance.

To achieve this, we strive every day for controls compliance and continuous improvement. We engage with employees to have the voice of the customer in mind with each part we make and deliver.

## PRODUCT SAFETY, QUALITY AND SECURITY

PennEngineering stands for high-quality products and services. Our quality management processes and procedures help us comply with international standards and continually improve our products, services and processes. We follow the PennEngineering Quality Policy and all applicable subsidiary quality policies and procedures to maintain and improve the effectiveness of our quality management system in full compliance with regulatory and other applicable program requirements. We strive to achieve outstanding customer satisfaction and employee safety.

### ➔ To do this we:

- Follow internal quality procedures, processes, and requirements to help ensure the quality, safety and effectiveness of our products and services.
- Notify the customer, in a timely manner, of any changes in material, outside suppliers, manufacturing location, or processes related to all products.
- Pursue and responsibly utilize appropriate digital and AI technology where appropriate to improve our internal quality performance and thus our customers' experience.
- Completely and accurately report quality testing results – never falsify, change or conceal a finding.
- Speak up if we discover any actual or potential product quality or safety issue, including reporting all adverse events or product quality complaints immediately to our Quality Assurance department and others required by local regulations.

## DELIVERING INNOVATIVE VALUE

At PennEngineering, we are pioneers who look beyond the present to deliver future value to our customers and stakeholders.

### ➔ To do this we:

- Stay aware of trends around the world and pursue business ideas in tune with customer needs and desires.
- Advance the responsible use of digital and artificial intelligence (AI) technologies to better serve our customers in compliance with global and regional guidelines.
- Strive to develop and provide safe, high-quality products and services that meet the needs of our customers.

# Follow Lawful and Ethical Business Practice

The following situations can lead to conflicts of interest:

- Financial interests and investments: For example, you or a relative has an ownership interest in an PennEngineering supplier, competitor, service provider or customer.
- Family members and close personal relationships: For example, you hire, evaluate or manage a family member, close friend or romantic partner.
- Outside involvements: For example, you take a political or charitable role outside of work that interferes with the company's best interest or your job duties.

## BRIBERY AND CORRUPTION

We conduct business fairly and with a high level of integrity. We do not tolerate corruption or bribery in our company.

### ➔ To do this we:

- Never offer, give, or accept bribes or payoffs, either directly or through a third party. Report in writing to your local manager, or PennEngineering's General Counsel (or through email at [speakup@pemnet.com](mailto:speakup@pemnet.com)) if a facilitation payment is requested.
- Avoid even small gifts if they are intended to influence the recipient to provide a service in return. Don't offer or promise anything of value to national, local, or foreign public officials, their families, or friends. This PennEngineering requirement applies even where local custom could otherwise allow such actions or payments.

## CONFLICTS OF INTEREST

At work, we expect you to disclose any possible conflict between your private interests and those of PennEngineering. One possible conflict is a situation in which you have a personal financial interest in a company with whom we do business. Another possible conflict is a direct reporting relationship between an individual and their family member or personal friend. Clearly communicating any possible conflicts can help ensure that there is no actual or perceived influence on business decisions as a result of such collaboration.

### ➔ To do this we:

- Avoid having our personal interests disrupt or influence corporate opportunities for talent development, revenue or other aspects of our business.
- Watch for conflicts of interest – including situations where others may perceive a conflict.
- Disclose any conflicts of interest that exist when you come to work at PennEngineering or that may emerge later.
- Work with the company to address and resolve any conflicts. This might involve removing yourself from decision-making related to the conflict.

If you think you may have a conflict of interest, disclose it by talking to your manager or Human Resources. Many conflicts can be addressed and resolved without serious issue.

Simply, we do not make agreements with competitors on topics like:

- Prices
- Coordinating of bids
- Terms or conditions of sale
- Research/development plans
- Market division or customer allocation
- Production volumes

## FAIR COMPETITION AND BUSINESS INTELLIGENCE

PennEngineering makes commercial strategy decisions independently. Our business relations are based on free and fair competition. We do not apply unfair business practices with our customers, suppliers, and competitors, and we adhere to all laws concerning the restriction of competition. Violations of competition or antitrust laws can lead to large fines and penalties for the company and may also apply to employees.

### ➤ To do this we:

- Are careful when communicating business information with competitors – especially during informal discussions.
- Openly identify ourselves as employees of PennEngineering.
- Never discuss confidential topics with competitors, such as pricing, sales volumes or the type and quantity of products sold or produced.
- Never talk to competitors about dividing markets or suggest to a competitor to avoid business with certain customers.
- Never discuss fixing sales prices with competitors.
- Compete fairly and avoid conduct that constitutes or may appear to be manipulation of a tender or bidding process.

## INTERNATIONAL TRADE

We are required to adhere to import and export laws governing cross-border trade and to play an active role in control measures.

### ➤ To do this we:

- Never do business with restricted countries or entities that are facing economic sanctions, embargoes, or stringent export controls that limit trade due to political, security, or human rights issues or otherwise restricted by the governments in the countries in which we operate.
- Provide accurate and truthful information to customs and regulatory agencies.
- Comply with applicable trade laws and regulations.

## FINANCIAL INTEGRITY AND FRAUD

At PennEngineering, we practice transparency at every level and make it a priority to prevent and detect fraud. We require honest and accurate information to evaluate our financial and company performance. We show integrity with our reporting, following all required accounting standards.

### ➤ To do this we:

- Report and record revenue and expense transactions and other financial data honestly, accurately, completely and in the proper accounting period.
- Comply with applicable tax laws and regulations.
- Never make false reports or expense claims. Never intentionally record incorrect information or manipulate accounting information or financial statements to secure profits, achieve sales budgets, fulfill budgeted expenses, or for any other reason.
- Follow all reporting and disclosure requirements and cooperate with any internal or external auditors.

# Protect Company Assets and Information

Our company's competitive advantage is based on confidential and proprietary information, including intellectual property like product schematics or manufacturing technology. Improperly revealing this information could seriously damage our business.

If you work with information that is not generally known to the public, like our trade secrets or other product or process information, take care to protect it.

Employees are expected to protect the confidentiality of company documents and confidential information by avoiding work on such matters in public where information could be viewed or overheard.

## COMPANY ASSETS AND INFORMATION

We are all responsible for protecting PennEngineering's assets.

### ➤ To do this we:

- Only use company resources -- including work equipment and tools such as hardware, software, electronic devices and digital tools or subscriptions -- for legitimate business purposes.
- Never use the above-mentioned company assets for personal use.
- Take care of material assets, like equipment and buildings.
- Never sell, pledge, loan, transfer or modify our assets in a way that reduces their value, unless you have reasonable business grounds and your manager's approval.

## DATA PROTECTION

PennEngineering holds a great deal of valuable, confidential or sensitive information on our company networks and servers, as well as secure digital platforms that may include company-approved AI platforms or features. We all share a responsibility to help protect this information and avoid taking actions that could lead to its theft or loss.

### ➤ To do this we:

- Complete regularly scheduled data security training assigned by PennEngineering.
- Take appropriate measures to practice good cyber-hygiene: protect our computers, devices, and company networks.
- Use strong passwords and do not share passwords.
- Store confidential information exclusively on authorized company networks, systems and digital platforms.

## PROTECT DATA PRIVACY

Safeguarding personal information is fundamental to PennEngineering's commitment to employees, customers, and business partners. We show respect for people's privacy by safeguarding personal information and protecting it from unauthorized or unlawful disclosure or misuse. In addition, we observe all company guidelines and applicable privacy laws when we collect, store, use and share personal information about individuals, whether they are employees, customers, or others and regardless of the tools, such as AI, that may be utilized to generate, share or collect personal information about employees, suppliers, customers or any other entities with whom we do business.

### ➤ To do this we:

- Never access personal information stored on our systems or via company-approved digital platforms unless our job requires it and its use is in line with the original purpose for which the information was collected.
- Periodically review the information we hold and discard any personal information we no longer need.

## ETHICAL AND RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE (AI)

AI tools must be used responsibly to support – not replace—human judgment and automate routine tasks. Employees are fully accountable for the AI output and content they utilize. Only company-approved AI tools may be used. Personal or unauthorized AI platforms are prohibited. Employees must openly and clearly attribute any AI-generated content to its AI source. No confidential or sensitive info can be shared with AI tools without approval. Information Systems (IS) monitors AI use using appropriate tools to ensure compliance. There will be no retaliation for good faith reporting of inappropriate or unapproved AI use. Violations may result in disciplinary action, including termination.

### ➤ To do this we:

- Obtain appropriate approvals for the use of AI tools.
- Complete all required training prior to the use of any new AI platform.
- Review/refine AI output for accuracy, bias, and appropriateness.
- Uphold professionalism; avoid offensive/misleading content.

## COMMUNICATIONS ACCOUNTABILITY

All communication -- be it on paper, in electronic documents, e-mails, or social media – requires active management. You are accountable for the facts, data or messages you communicate, regardless of how you gathered or disseminated the communication.

This also includes your responses if you were to be approached by members of the media, social media influencers or those in related roles. If you are contacted by any of these entities, you should refer them without delay to the senior management of your business unit. Be aware that seemingly innocent statements can be taken out of context and suddenly express something completely different from what was originally intended. Always communicate professionally, recognizing that it's possible for any communication to be retrieved and read in the future without the benefit of your intentions or the original context.

### ➤ To do this we:

- Are open and honest – we ensure communication is always fact-based, objective, transparent, professional, and honest.
- Clearly and transparently communicate when we have utilized AI tools to gather, generate or disseminate content that may be utilized for decision-making.
- Always retain documents as required by company records retention schedules. We never destroy records that are, or could be, relevant to a potential or impending official investigation or court case.

# Good Corporate Citizen

## SOCIAL RESPONSIBILITY

PennEngineering regards itself as a citizen in the communities where employees live and work. We will always respect the culture and practices of the countries and regions where the company engages in business. We encourage freedom of association and abide by any applicable regional guidelines overseen by organizations such as the National Bureau of Labor and Statistics (NLRB) in the United States, national work councils in Europe, and trade union legislation in some locations in Asia.

### ➤ To do this we:

- Remain mindful of the impact our decisions may have on our broader communities.
- Strive to develop mutual understanding with people living in the countries and regions where we conduct business.
- Support community projects that reflect positively on our business with charitable organizations.
- Draw on our own skills and expertise to volunteer in society.

## ENVIRONMENT

Sustainability of the global environment is our responsibility. We are responsible in our use of natural resources and employ sustainable technologies whenever possible at our production sites to develop environmentally friendly products for our customers. We take action to improve our carbon footprint year after year, with the long-term goal of carbon-neutrality.

### ➤ To do this we:

- Follow applicable environmental laws and regulations, as well as stringent internal standards.
- Avoid use of materials or methods that create environmental or health risks when suitable alternatives are available.
- Efficiently utilize resources, promote recycling, use renewable resources where possible, and optimize company processes to be more efficient.

## HUMAN RIGHTS AND FAIR LABOR PRACTICES

In all corporate activities, PennEngineering protects internationally recognized human rights prohibiting forced labor, child labor, abuse of power, and illegal discrimination. We perform due diligence to avoid using suppliers that offer unsafe products and services, violate applicable laws, use child workers, employ forced labor, or subject their employees or contractors to corporal punishment.

### ➤ To do this we:

- Provide competitive salaries and comply with any “living wage” requirements of the countries in which we do business.
- Support basic human rights, respect labor laws, and do not use any form of forced, compulsory or child labor.
- Know the signs of human trafficking and forced labor, and report human rights abuse immediately to the appropriate local or national authorities.
- Never work with or encourage, either directly or indirectly, organizations that threaten the order and safety of society.

# Asking Questions and Raising Concerns

## USE GOOD JUDGMENT AND SEEK ADVICE

No Code of Conduct can cover every imaginable situation you may encounter. Every decision and situation that you face requires good personal judgment and thoughtful consideration.

Be prepared to question yourself and your actions. If you are in any doubt, seek help from others and take advice.

## RECOGNIZE AND RESPOND TO INCORRECT BEHAVIOR

We are open when dealing with mistakes. Be transparent with the company and seek assistance if you make a mistake or perceive mistakes made by others, including co-workers, suppliers, customers or even your direct management. Only by discussing problems can we find solutions and improve as a team.

At PennEngineering we all share a responsibility to speak up if ever we have a question about the Core Values or this Code of Conduct or think they may have been violated. If you become aware of, or suspect, a breach or potential breach of this code, or other legal requirements, you must report it immediately – regardless of who was involved or impacted. By speaking up, you will help prevent damage to PennEngineering.

We understand it is not always easy to raise concerns about possible misconduct, but we encourage you to come forward and report any concern to your manager. If you are uncomfortable addressing these topics with your manager, the company suggests that you report your concerns to the following individuals in this order:

- HR Manager
- PennEngineering's Vice President of HR and Talent
- PennEngineering's General Counsel

At any point, if you prefer anonymity, you may also report any issues to the PennEngineering Hotline by calling Reporting Hotline at +1-215-766-1000 or sending an email to [speakup@pemnet.com](mailto:speakup@pemnet.com). PennEngineering logs and investigates all reports submitted through the hotline or this email. Complaints will be investigated in confidence and in a fair and responsible way, and anyone who submits a report will receive a response.



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