

## HURCO COMPANIES, INC.

### RESPONSIBLE SOURCING & TRANSPARENCY IN SUPPLY CHAIN STATEMENT

The State of California has passed the California Transparency in Supply Chains Act (the “**Act**”). The Act requires that certain large retailers and manufacturers doing business in California to disclose on their websites their “efforts to eradicate slavery and human trafficking from [their] direct supply chain for tangible goods offered for sale.” The Act does not mandate that businesses implement new measures to ensure that their product supply chains are free from human trafficking and slavery. Instead, it requires that covered businesses make certain required disclosures, namely whether the company engages in any of the following statutorily enumerated activities in attempt to eliminate human trafficking or slavery from its supply chain: (1) verification; (2) audit; (3) certification; (4) internal accountability; or (5) training. This Responsible Sourcing & Transparency in Supply Chain Statement (this “**Statement**”) memorializes Hurco Companies, Inc.’s (“**Hurco**” or the “**Company**”) disclosure requirements under the Act. The Statement applies to Hurco and all subsidiaries of the Company that are subject to the Act.

Hurco is committed to the responsible sourcing of products, services, and components in its supply chain and transparency related thereto. The Company has demonstrated this commitment in a number of ways, including:

- (1) adoption and implementation of a Conflict Minerals Policy Statement, pursuant to which Hurco publicly expresses its commitment to (a) work with its suppliers to responsibly source materials and components it uses in manufacturing that may contain certain covered “conflict minerals” and (b) periodically requests chain of custody declarations from its suppliers in attempt to verify the origin of any potential conflict minerals contained in their products;
- (2) adoption and implementation of a Supplier Code of Conduct, pursuant to which the Company communicates its expectation that its suppliers and vendors will comply with all laws and legal requirements applicable to the operation of their respective businesses, adhere to respecting certain fundamental human rights (including refraining from forced labor, slavery, and human trafficking), not engage in unethical business practices, and strive for continuous improvement with respect to their environmental stewardship, including investigating options for the reduction of the waste and pollution they create;
- (3) adoption and implementation of a Code of Business Conduct and Ethics, pursuant to which all Company employees are required to comply with all laws, rules, and regulations applicable to the operation and conduct of Hurco’s business; and
- (4) implementation and maintenance of an anonymous ethics and whistleblower hotline, pursuant to which employees, suppliers, vendors, and other stakeholders may confidentially report suspected or known violations of laws or Company policies or other unethical conduct or behavior.

Based on the foregoing, and otherwise upon information and belief, Hurco is not aware that any of its suppliers engage in human trafficking or slavery, nor has it received any information or allegations suggesting that its suppliers do.

Although the Company is committed to responsible sourcing and unaware of any human trafficking or slavery within its supply chain as otherwise set forth above, the Act requires Huco to disclose that the Company does not engage in the subject disclosure activities expressly set forth in the Act. More specifically, except as otherwise specifically set forth above, Hurco does not (1) verify its supply chains to evaluate and address specific risks of human trafficking and slavery; (2) conduct audits of suppliers to evaluate supplier compliance with its standards for trafficking and slavery in supply chains; (3) require direct suppliers to certify that materials incorporated into our products comply with laws regarding slavery and human trafficking; (4) maintain internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking; or (5) provide company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.