



VALMONT® INDUSTRIES, INC.
Global Supplier Guide

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1. Introduction to Valmont® Industries, Inc.

Across Valmont Industries, it is common to hear the phrase “One Valmont.” This statement reflects our organizational commitment to work together across boundaries to achieve common goals. Our Suppliers are an integral part of this scope. Our success truly begins with you!

Supply Chain Collaboration

To satisfy our customers, it is important to build meaningful partnerships with our Suppliers, to minimize risk, and to foster continuous improvement.

This guide supports that initiative and provides a roadmap for success as a supply chain partner with Valmont Industries, Inc.

1.1. Purpose and Scope

This controlled document is available on the Valmont Industries website at [Valmont Supply Chain](#).

While reasonable efforts are made to notify Suppliers of any changes, it is ultimately the Supplier's responsibility to periodically check the Valmont Industries website to ensure that they are using the latest revision. If a Supplier takes exception to any requirements presented in this Global Supplier Guide, it is the Supplier's responsibility to obtain written permission from Valmont Industries' authorized representative(s) for any deviations.

The Global Supply stakeholders at Valmont Industries own and control this document. The requirements may be communicated to Valmont Suppliers via Purchasing Documents, agreements, Specifications, and other documents. This guide is intended to supplement these requirements, not to replace or alter them. If conflicting interpretations of the standards arise, the following order of precedence applies unless otherwise noted contractually:

- 1) Agreements
- 2) Specifications
- 3) Purchase Orders
- 4) Global Supplier Guide (this document)

Annual validation of the Supplier Global Guide is required via SAP ARIBA and/or any other applicable method.

1.2. About Us

Valmont® Industries, Inc. is a leading producer and distributor of products and services for infrastructure and agricultural markets.

Valmont began in 1946 when founder, Robert B. Daugherty, combined his \$5,000 savings with a wholehearted belief that business could and should be done better. From these modest beginnings, the company has grown into a global leader of engineered products and services for infrastructure, and water-conserving irrigation equipment and solutions for agriculture.

From lighting and traffic structures to guide the way, communication towers that keep people connected, utility structures that power homes and businesses, and irrigation equipment and technology that helps grow the world's food, we are committed to

Conserving Resources. Improving Life®.

Valmont is made up of two primary business segments:

1. Infrastructure, consisting of Utility Support Structures, Lighting and Transportation, Telecommunications, and Coatings.
2. Agriculture, including Irrigation and Irrigation Technology (Agtech)

We manufacture products in over 80 different facilities spread across six (6) continents and conduct business in over 22 different countries. Valmont is publicly traded on the New York Stock Exchange (NYSE) under the symbol (VMI).

We are passionate about our products, priding ourselves on being people of integrity who excel at delivering results. We pursue opportunities for growth by taking products and processes to new markets, developing new products for existing markets, and continually improving across the company to ensure that Valmont solutions are always the global industry leader.

1.3. Our History

Today, Valmont is a globally recognized leader in the civil infrastructure and agriculture industries. Valmont began with one man, his vision, and an entrepreneurial spirit driven by a strong desire to create something of lasting value. So strong was this desire, he put his entire life savings — \$5,000 — on the line. That man was Robert B. Daugherty. In 1946, he founded what was to become the company we know today as Valmont Industries.

Born in Omaha, Nebraska in 1922, Bob Daugherty was a graduate of Omaha Central High School and later attended Carleton College in Northfield, Minnesota. After college, he served in World War II. He was commissioned a second lieutenant in the Marine Corps, first serving in the Pacific theatre and later in China.

In 1946, following the war, Frank Daugherty (Bob's uncle and mentor) encouraged Bob to consider business opportunities. This led him to invest his life savings in a farm machine shop in Valley, Nebraska.

In 1954, Daugherty bought the licensing rights to manufacture the center pivot from inventor Frank Zybach and embarked on a journey that would revolutionize agriculture—in North America and throughout the world.

Under Daugherty's leadership, Valmont® later expanded into the tubing, galvanizing and engineered infrastructure products industries.

Daugherty retired from the Valmont Board of Directors in 2004 after serving for 57 years, continuing to solidify his dedication to agriculture and water conservation well into his retirement. In April 2010, his charitable foundation committed \$50 million to the University of Nebraska to fund the Daugherty Water for Food Global Institute. This multi-campus center for research, education and policy analysis relating to agricultural food and water conservation has put knowledge to action in strides towards a food and water secure world. "I can't think of a better investment to sustain [my life's work]," he said.

Daugherty's legacy extends into the future as Valmont continues to grow and adapt to the demands of the global business landscape.

2. Supplier Code of Conduct

Valmont strives for the highest reputation worldwide through professional, legal, and ethical excellence. We conduct business as outlined by our Core Values below.

Our Core Values:

- We have a passion for our products, services and customers.
- We operate with absolute integrity.
- We strive for continuous improvement, removing waste everywhere with a true sense of urgency.
- We consistently deliver results.

All Suppliers and respective facilities engaged with Valmont are required to comply with the Valmont Supplier Code of Conduct, which is an extension of the Valmont [Business Code of Conduct](#) - and reflects the values Valmont maintains throughout its operations - and all applicable laws and regulations.

Our Commitment to Suppliers

Valmont's® Supplier relationships must be characterized by honesty and fairness. We are guided by the following standards of behavior:

- We will not make payments to any employees of Suppliers to receive lower prices for Valmont.
- We will not reveal a Supplier's pricing, technology or other confidential information without prior written permission.
- We will not make false or misleading remarks to others about Suppliers or their products or services.

Confidentiality

Valmont Suppliers will keep all supply agreements and Valmont customer information confidential, including pricing. Valmont brand product Specifications, and any such information will not be released to third parties without the prior written consent of Valmont. This restriction will not apply to information known to a Supplier, which now or subsequently becomes known to the public, through no fault of the Supplier. It does apply to agents and employees of Valmont Suppliers, including brokers and their personnel.

Limitations on Gifts and Gratuities

To maintain high ethical standards and to avoid the appearance of impropriety, Valmont directors, officers and employees will not give or receive payments or gifts in exchange for business opportunities with customers, Suppliers, government entities or other Valmont employees.

Governance

Ethical behavior is an integral part of who we are. We hold our employees to strict standards that strongly reduce our exposure to bribery and corruption-related risks. Compliance with our high ethical standards is essential to our success.

As a multinational enterprise, Valmont's policy is to follow our own internal procedures and guidelines while also respecting local legislation wherever we operate around the world.

In everyday business transactions, our Suppliers must be even-handed and fair without deception or dishonesty in their dealings with customers, Suppliers and others with whom they work.

We expect all our Suppliers to:

- Behave professionally, ethically, fairly and with integrity.
- Prohibit any actions that falsify or distort free competition or market access or infringe the applicable legal rules concerning competition law.
- Prevent the offering, promising or giving of a bribe and the requesting, agreeing to receive or accepting of a bribe by any person associated with them.
- Notify Valmont at once if they become aware that any of the Supplier's directors, officers, or employees are acting in the capacity of a Public Official where this could be relevant to their relationship with Valmont.

- Notify Valmont® at once if they become aware that any of the Supplier's directors, officers or employees have a relationship with any Valmont employee that could result in a conflict of interest.
- Comply with the fiscal obligations within all territories in which they operate.
- Operate and maintain an Employee Code of Conduct.

Social Responsibility

As an international business, we have significant relationships across the world with our employees, the communities in which we operate and the many stakeholders in our businesses. As a result, we take our corporate social responsibilities seriously and acknowledge internationally proclaimed human rights.

All Suppliers must conform to the relevant International Labor Organization Labor Standards as a minimum requirement. This means Suppliers must strive to apply employment standards which promote the application of human rights. There should be no intentional discrimination for recruitment, promotion, job transfer, dismissal and other employment related activities on the basis of race, color, creed, nationality, age, marriage or civil partnership, pregnancy and maternity, gender, gender reassignment, sexual orientation, religion or belief, ethnic or national origins, disability, union membership, political affiliation or other status protected by law.

Local laws on age discrimination must be followed. Abuse, harassment or intimidation will not be tolerated under any circumstances, nor will the act of pressuring or retaliating against any individual who reports such harassment.

We expect all our Suppliers to:

- Provide a safe and healthy working environment by minimizing, as far as is reasonably practical, the causes of hazards inherent in the working environment.
- Minimize the risk of exposure to harmful materials, machinery or operations.
- Operate and maintain an effective safety policy.
- Respect national employment law on working hours. Valmont will not engage with Suppliers who apply or support forced or child labor. Young people under the age of 15, or older if defined by law, must not be employed.
- Comply with legislation regarding slavery and human trafficking.
- Comply with local Valmont health and safety policies, including those related to alcohol and drug misuse, when working at or visiting Valmont sites.

Environmental Responsibility

Valmont is committed to supplying products and services that enhance the lives of our customers, employees, and communities, and to doing so in an increasingly efficient and environmentally friendly manner.

As part of this commitment, we will supply products and services that support sustainable infrastructure development and the efficient use of water for agriculture.

We will work to improve our use of raw materials, energy and water in the manufacture of our products and the provision of our services, and we will strive to reduce the emissions, discharges and wastes that our operations generate. More information on Valmont®'s sustainability report and climate strategy can be found at [Valmont's Sustainability](#).

We expect all our Suppliers to:

- Comply with all applicable environmental legislation.
- Have an environmental policy that is proportionate to the environmental risk of their business.
- Manage hazardous material through compliance with applicable laws, regulations and standards, as well as internal rules and procedures. Suppliers must take every possible measure to prevent the release of hazardous material, fire, or explosion and to avoid other major accidents that may cause severe harm to their own employees, premises, surrounding communities and environment.
- Follow procedures that ensure plants and equipment minimize any impact on the environment.
- Train employees and provide the necessary resources to make them aware of their personal responsibilities for protecting the environment.
- Comply with applicable regional and global product compliance regulations, such as - but not limited to - REACH and TSCA (Toxic Substances Control Act) standards and to support our customers in complying with these standards.
- Take steps to mitigate their material Green House Gas Emissions (GHG) and be prepared to report pertinent carbon emissions to Valmont upon request.

Our Suppliers should uphold the same Valmont standards with regard to their own Suppliers.

Risk Management

We expect our Suppliers to show a responsible attitude towards risk and for them to expect the same from their own Suppliers.

We expect all our Suppliers to:

- Operate their business in a responsible and prudent manner to minimize the risk of financial failure.
- Inform Valmont of any issues or developments that significantly increase the level of risk in the supply chain to Valmont.
- Maintain their own Supplier risk assessment processes and profiles.

3. Key Roles and Responsibilities

3.1. Valmont Representatives

Valmont has a dedicated team to manage and grow Supplier relationships. Titles may vary, but our Suppliers can expect to interact with the roles shown below:

- The [Purchasing and Material Management Team](#) is the Supplier's primary point of contact at Valmont® for purchasing-related matters, such as issuing purchase orders, receiving Valmont specification updates, and monitoring Supplier performance. If you are not sure whom to contact, please start with your Buyer.
- The [Strategic Sourcing Team](#) manages business- related matters such as contracts, agreements, and relationship management.
- The [Supplier Development Team](#) manages initial and ongoing evaluation, fostering quality improvement, and the issuance and follow-up of Corrective Actions for Suppliers.
- The [Responsible Engineer and/or Quality Manager](#) is the technical partner overseeing the management of matters related to product design and Specifications, including approval of deviation requests.

There may be instances when it is necessary to work with other Valmont representatives. However, to promote effective and efficient communication, please defer to the Valmont personnel shown above.

3.2. Suppliers

Valmont expects our Suppliers to appoint a contact within their organization for the following functions and inform Valmont at once of any changes:

- Valmont [Customer Representative](#)

The Customer Representative is the primary contact within the Supplier's organization for any key communications with Valmont, including any quality, delivery or commercial issue resolution.

- Valmont [Quality Management Representative](#)

The Quality Management Representative oversees the implementation and maintenance of the Supplier's Quality Management System as defined by AISC, ISO 9001, TS16949, and AS9100 or similar standards. This representative also oversees the part qualification process.

4. Compliance

4.1. Environmental Health & Safety

- 4.1.1. Suppliers are expected to provide their employees with a safe working environment that supports accident prevention and minimizes exposure to health risks. Suppliers must also comply with the latest revisions of all applicable environmental health and safety laws and regulations (ex: anti-lead, REACH, RoHS, ISPM 15, Transportation HazMat Regulations, etc.). Upon Valmont request, Suppliers are expected to furnish written product Specifications, operating procedures and other information pertaining to environmental compliance.
- 4.1.2. Suppliers must disclose the existence of all hazardous materials contained in their products and other materials sold or otherwise transferred to Valmont. No products supplied under any Supply Agreements with Valmont are allowed to contain:

- 4.1.2.1.1. (i) lead, mercury, cadmium, hexavalent chromium, Polybrominated Biphenyls (PBBs), Polybrominated Diphenyl Ethers (PBDEs - flame retardants), Per and Polyfluoroalkyl Substances (PFAS) or any other hazardous substances, the use of which is restricted under the latest RoHS directive;
- 4.1.2.1.2. (ii) arsenic, asbestos, benzene, Polychlorinated Biphenyls (PCBs), or carbon tetrachloride;
- 4.1.2.1.3. (iii) any chemical restricted under the Montreal Protocol on ozone-depleting substances; or
- 4.1.2.1.4. (iv) any other chemical or hazardous material, the use of which is restricted in any other jurisdictions to which Valmont® informs the Supplier or the Supplier knows the products are likely to transit to or through; excepting circumstances whereby Valmont expressly agrees otherwise in writing as an addendum to any Supply Agreement and Supplier identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the products sold or transferred to Valmont.

4.2. Origin

- 4.2.1. Unless otherwise defined, Valmont requires Suppliers to identify the country of origin of each article (product/component), usually on both the product itself, every level of packaging, and on the commercial invoice and/or separate preferential or non-preferential certificate of origin. If not called out on the engineering Drawing, Supplier must discuss with the Valmont team where the origin is to be shown. Suppliers may not amend patterns, stamps, etc. without the express written permission of Valmont. Suppliers must provide a clear origin statement for products qualifying for any relevant free trade agreements, trade preferences or other facilitation programs.
- 4.2.2. Valmont may send annual solicitation communications requesting country of origin confirmation and other trade related information. All Valmont Suppliers must respond in a timely manner to such requests in the format requested. Use of such terms as European Union (EU), Gulf Cooperation Council (GCC) or Mercosur will be limited to relevant declarations.
- 4.2.3. The following rules usually apply to both domestic and international transactions:
 - Products/components must be as “indelibly” marked as possible with country of origin (unless both parties agree that said product qualifies for a clearly applicable exception).
 - All levels of packaging must be marked as permanently as possible with country of origin, including the outermost shipping carton, box, etc.
 - All sales invoices and/or packing lists must show country of origin information.

4.3. Harmonized Tariff Schedule and Schedule B Codes*

(* Primarily applicable to USA import/export transactions, however similar product designations may be applicable for other countries)

- 4.3.1. Harmonized Tariff Schedule (HTS) codes are the numerical sequence assigned to a specific product in the U.S. International Trade Commission's database. They are the U.S. extension of the Harmonized Item Description and Coding System (HS), which identifies items by a 6-digit harmonized number cataloged in the World Customs Organization's Harmonized Commodity Description and Coding System. The U.S. Harmonized Tariff Schedule can be accessed online at [Harmonized Tariff Schedule Search](#). For exports from the U.S., a Schedule B number can be used. The Schedule B, administered by the U.S. Census Bureau is used for tracking U.S. export statistics. For more information on Schedule B codification: [Finding Your Schedule B Number](#); [Foreign Trade - Schedule B](#) or [Schedule B Search Engine](#).
- 4.3.2. Both the HTS and Schedule B exist for purposes of determining product classification, government regulation and applicable duty rates. Both coding methods are based upon the Harmonized Commodity Description and Coding System, or "HS". The first six digits of any HTS code are recognized globally, while the last four digits are specific to the country of import to further classify products and define duty rates. The various digits comprising an HS code specify categories, product types, and use case or materials. Utilization of correct classifications - "harmonized codes" – is critical both domestically and internationally for capturing duty savings and preferential trade eligibility.
- 4.3.3. Upon request, Suppliers will provide certificates of origin to Valmont® in a timely manner. Valmont will provide certificates of origin along with HS code data to customs brokers to maximize the use of free trade agreements (e.g., USMCA, AUSFTA), tariff exemptions, and to maintain consistent use of predetermined HS codes. By internally housing and tracking HS codes, Valmont can adapt efficiently to tariff fee schedule changes and leverage due diligence practices, ensuring we maintain competitive market access and consistently cost raw materials.
- 4.3.4. Valmont and Our Suppliers should strive to be highly aware of current trade remedies and make a joint effort to "tariff engineer" products when possible. Tariff engineering refers to the legal process of making slight changes to overall product design or packaging to reclassify the final product under a more favorable import duty rate. Within Valmont, product development teams should work cross-functionally with other departments to use design and engineering strategy to legally circumvent tariff rates, overcome manufacturing challenges, and improve our supply chain resilience.
- 4.3.5. Given the complexity of current trade remedies against imported goods, it is critical that Valmont and Suppliers adapt a "know your product" approach regarding HS determination. Collectively, we must know our product. For information regarding current trade remedies, see [Trade Remedies U.S. CBP](#).
- 4.3.6. The Schedule B number is needed to complete the Shipper's Export Declaration, Shipper's Letter of Instruction (SLI), Certificates of Origin and other relevant shipping Documentation. Valmont and Suppliers should be prepared to provide the schedule B code(s) upon request. Additionally, HTS codes should be listed on all import customs entry paperwork at the time of customs clearance.

- 4.3.7. Due to the complex and technical nature of certain products, Valmont® will engage CBP (Customs and Border Protection) to secure a binding ruling when necessary. The binding ruling program enables importers and other interested parties to get binding pre-entry classification decisions prior to importing a product and filing entries with CBP. The binding ruling program promotes compliance, uniformity, and accuracy, reducing Valmont's overall import trade risk. A commodity specialist at the U.S. Census Bureau Foreign Trade Division can be reached for further assistance with Schedule B classification.

4.4. Conflict Minerals

It is Valmont's policy to comply with U.S. government laws and regulations relating to Conflict Minerals.

- 4.4.1. Valmont expects Supplier cooperation across the business ecosystem to align our responsible sourcing goals and values. Measuring our shared goals against international standards, and in compliance with restricted materials rules, allows Valmont to utilize due diligence as the framework for addressing adverse impacts in our operations and supply chains.
- 4.4.2. As defined by US legislation, "Conflict Minerals" or "3TG", currently include the metals tin, tungsten, tantalum and gold, which are the extracts of the minerals cassiterite, columbite-tantalite and wolframite, respectively, or any other minerals or their derivatives determined at any time by the U.S. Secretary of State to be financing conflict in the Democratic Republic of the Congo or any country sharing an internationally recognized border with the Democratic Republic of the Congo (collectively, "Covered Countries").
- 4.4.3. Valmont supports this social responsibility initiative as part of our corporate culture. Valmont expects Suppliers to comply with the U.S. Securities and Exchange Commission (SEC) rules for reporting and disclosure requirements related to these Conflict Minerals as part of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act").
- 4.4.4. Valmont maintains and distributes a Supplier questionnaire/template developed by the Responsible Minerals Initiative (RMI) and adapted to our needs to comply with the SEC Conflict Mineral rules. We request our suppliers to disclose the sources of Conflict Minerals used in their products. We will continue to evaluate our policies as practices evolve.
- 4.4.5. The internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas has a broader scope and covers all minerals, not only 3TG. More information on this initiative can be found at the following link: [OECD Due Diligence Guidance for Responsible Supply Chains](#). Information regarding global business conduct can be found in the OECD Due Diligence Guidance for Responsible Business Conduct: [OECD Due Diligence Guidance for Responsible Business Conduct](#).

4.5. Import/Export

- 4.5.1. Many countries and various multinational organizations maintain export control laws, economic sanctions, and embargoes that restrict transactions with certain countries, individuals, entities, and end-users, as well as for certain end-uses. These laws, sanctions, and embargoes may apply to imports, exports, financial transactions, investments, and other types of business dealings. Some countries also prohibit or control re-export items beyond their original destination.

- 4.5.2. The list of prohibited countries and rules relating to trade restrictions are complex and subject to change. For example, an export can take place even without physical movement between countries, such as the release of technical data that is communicated electronically, orally, or visually through a conference call, web meeting, or telephone conversation.
- 4.5.3. Failure to comply with the applicable laws and regulations in this area exposes Valmont®, and in some instances, the individuals involved, to civil or even criminal penalties. As an international company, Valmont must emphasize our Supplier's measures to comply with the various trade restrictions in the countries where we do business. If a Supplier's work involves the sale or shipment of products, technologies, or services across international borders, it is imperative the Supplier stay current with the rules that apply.
- 4.5.4. Suppliers are expected to:
 - Follow all relevant international trade control regulations, including Supplier's own policies and procedures relating to importing and exporting activities.
 - If shipping across international borders, ensure the proper information is collected and reported in a timely manner to the appropriate export authorities, as necessary.
 - Screen business transactions and relationships with customers, Suppliers, and other third parties against all applicable rules restricting transactions with certain sanctioned countries, persons, and prohibited end-uses.
 - Provide thorough Documentation covering all the information required for importation in the destination country.

4.6. Anti-Corruption Laws

- 4.6.1. Dealing with government officials requires special attention. In all our business interactions, we must comply with regional and national anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act (FCPA), United Kingdom Bribery Act, India's Prevention of Corruption Act, China's Article 8 of the Anti-Unfair Competition Law, Article 164 of the Criminal Law, and 8th Amendment to the Criminal Law.
- 4.6.2. Suppliers must never offer any gift, entertainment or other items or services of value to a government official to obtain current or future business. A bribe can take many forms and may not be easily identifiable. Agents, subcontractors, suppliers, joint venture partners, consultants, intermediaries, or others should never offer anything of value, which is otherwise improper, on Valmont's behalf. Below are some basic rules to keep in mind when ascertaining whether offering something of value constitutes a bribe:
 - A bribe does not have to be successful or accepted to be illegal – an offer or promise to pay is enough.
 - A payment, offer, or promise does not need to be money – it can be anything of value including in-kind goods or services. This includes gifts, entertainment, or campaign contributions.
 - It is unlawful to make a payment to any person while knowing that all or a portion of the payment will be offered, directly or indirectly, to any foreign official to obtain business or to influence an improper act or decision.

- 4.6.3. It is Valmont's® policy to comply with U.S. government laws and regulations relating to foreign economic boycotts. The primary focus of U.S. Anti-boycott Laws is the Arab League boycott of Israel; however, boycott issues can arise in transactions with other countries as well (such as Pakistan, Bangladesh, Indonesia, and Taiwan) and may change over time.

4.7. Data Privacy

- 4.7.1. Valmont is committed to respecting the privacy of all persons and complies with applicable data privacy laws.

4.8. General Compliance

- 4.8.1. Supplier must certify compliance with all applicable federal, state, and local laws, statutes, ordinances, governmental administrative orders, rules, and regulations relating to the manufacture, sale, and use of the equipment, and those relating to ethical and responsible standards of behavior, including, without limitation, human rights (anti-slavery, human trafficking, conflict mineral sourcing), environmental protection, sustainable development, bribery, and corruption.
- 4.8.2. Supplier will notify Valmont promptly if (a) Supplier or any of its Representatives have reason to believe that a breach of these policies has occurred or is likely to occur; or (b) if any conflicts of interest arise; or (c) if Supplier or any of its Representatives or their respective family members become a government official or political party candidate in a position to influence Supplier's commercial relationship with Valmont.

4.9. Supply Chain Security

- 4.9.1. All Suppliers must develop, implement, and maintain procedures that meet or exceed the minimum standards for the supply chain security applicable in the jurisdictions where they operate. Suppliers must also require their carriers, customs brokers, freight forwarders, and other relevant partners to comply with those same standards when processing shipments on Valmont's behalf.
- 4.9.2. Valmont is a member of the U.S. Customs-Trade Partnership against terrorism ([C-TPAT](#)) program. This program is designed to establish a working partnership between the U.S. Customs and Border Protection Agency and the trade community for the purposes of securing U.S. and international supply chains from possible intrusion by terrorist organizations.

4.10. Product Warranty

- 4.10.1. If either party becomes aware of a potential manufacturing or design defect in a product (material, parts, assemblies, and/or services provided by Supplier to Valmont) that party will promptly deliver written notice of the potential defect to the other party's designated recipients. Supplier must then provide analysis related to the potential defect as requested by Valmont. Supplier will fully cooperate with Valmont to promptly implement appropriate corrective and preventative actions, including the delivery of corrected replacement product(s) at no cost to Valmont or its customers.

- 4.10.2. Valmont® end-user warranty terms vary depending on the product and channel through which the product is sold. In any event, Supplier's warranty period must match or exceed Valmont's applicable end-user warranty period. Valmont and Supplier may agree in writing to different warranty terms for specific products, categories of products, and/or geographic locations.
- 4.10.3. At a minimum, Suppliers must provide Valmont with the following warranties:
- All products must be fit for sale, of good material and workmanship, and free from defect.
 - Products must be transferred to Valmont free and clear of all claims or encumbrances.
- 4.10.4. All products will be manufactured, processed, packaged, labeled, marked, tested, certified, weighed, inspected, loaded, shipped, and sold by Supplier in compliance with all applicable Drawings and Specifications, laws, rules, regulations, and standards.
- 4.10.5. If Valmont is obligated to repair or replace a product due to a defect in a Supplier-provided product, unless agreed to otherwise in writing, the following will occur:
- Supplier will promptly correct the defect through repair, replacement, or refund (at Valmont discretion) at no charge to Valmont.
 - Supplier will promptly reimburse Valmont for any of the following related costs: diagnosis, removal, shipping, installation, Rework, testing, etc.
 - If requested by Supplier, Valmont will return a representative sample of defective product to Supplier at Supplier's expense.

4.11. Liability, Indemnity and Hold Harmless

- 4.11.1. Valmont Suppliers must agree to defend, indemnify, and hold harmless Valmont, its affiliates and their respective directors, officers, employees, agents, and customers from and against any and all claims, actions, demands, damages, losses, judgments, settlements, costs and expenses, including, without limitation, attorneys' fees, arising out of or in connection with any of the following:
- Mandatory or discretionary recall of Supplier product by Valmont, a customer thereof or any regulatory entity for safety or other reasons.
 - Alleged and/or actual infringement of any intellectual property right of any third party in connection with the products or any unfair competition involving the products.
 - Death of or injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, allegedly resulting from or relating to the products or services provided by Supplier.
 - Alleged and/or actual violation by Supplier or its products of any laws, rules, ordinances or regulations.
 - Breach of any agreement, late delivery or product non-conformance by Supplier.
 - All claims by or on behalf of Supplier's subcontractors, vendors, employees, or agents.

- 4.11.2. In the event that Valmont® customers or others sue or threaten to sue Valmont, Supplier and/or other parties (individually, a “Product Liability Action”) alleging that Supplier’s services or products, alone or in combination, caused personal injury, death and/or property damage, Valmont and Supplier will cooperate in managing and defending against any such suit. Note that this cooperation shall in no way limit Supplier’s defense, indemnity and hold harmless obligations as described above.
- 4.11.3. Suppliers are required to maintain appropriate insurance policies including, without limitation, commercial general and products liability insurance policies as specified by Valmont from time to time. Valmont must be named as additional insured on such policies. At all times, Suppliers must work with their Valmont contact(s) to determine the correct policy coverages and amounts.

4.12. Counterfeit Parts

- 4.12.1. Counterfeit parts, either mechanical or electrical, are defined as suspect parts that are either copies or substitutes created without legal right or authority to do so whose material, performance, or characteristics are knowingly misrepresented by a Supplier in the supply chain.
- 4.12.2. Valmont Suppliers are responsible for ensuring that the components provided or used in assemblies provided to Valmont are not counterfeit.

4.13. Supply Chain & Equitable Purchasing

- 4.13.1. Supply Chain Policy Valmont is committed to using the SA8000:2014 standard to manage the social performance of our supply chain. The standard reflects labor provisions contained within the Universal Declaration of Human Rights and International Labor Organization (ILO) conventions. The SA8000:2014 standard measures social performance in eight key areas important to social accountability in workplaces, anchored by a management system element that drives continuous improvement in all areas of the standard. These areas include:

- Child Labor
- Forced or Compulsory Labor
- Health and Safety
- Freedom of Association
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration

Valmont has implemented an appropriate management system to ensure that our organization complies with the standard. We act to improve the social performance of our supply chain when our auditing uncovers areas for improvement.

- 4.13.2. Equitable Purchasing Valmont® is committed to equitable local economic and community development by procuring products and services from a variety of suppliers. We measure and monitor our spend of all goods and services, as determined by total dollars spent, from small, local independent businesses as well as certified Minority-Owned Businesses, Women-Owned Businesses, Service-Disabled Veteran-Owned Businesses, certified B Corps companies, JUST Organizations, or Worker Cooperative Businesses.

4.14. Human Rights Policy

- 4.14.1. Valmont Human Rights Policy is based on our core value of “operating with absolute integrity” and it applies to all employees, officers and directors of Valmont Industries, Inc. and its subsidiaries (“Valmont” or the “Company”).
- 4.14.2. Regardless of our position within the Company, we all have a duty to understand and adhere to our core values. We are expected to exemplify integrity every single day and our commitment to act with integrity crosses all borders. We believe that acting with integrity is not something done solely for public reputation, but rather doing the right thing even when no one is watching.
- 4.14.3. Consistent with this core value is our commitment to Human Rights. Valmont respects internationally recognized Human Rights standards, and this policy is guided by the U.N. Guiding Principles for Business and Human Rights and U.N. Universal Declaration of Human Rights. We expect our agents, contractors, consultants, dealers, distributors, Suppliers and vendors to share our commitment to human rights (collectively referred to as “Business Partners”).

5. Materials & Logistics

5.1. Delivery

- 5.1.1. Suppliers are required to provide products/services on time to all Valmont locations, including third party drop shipments.
- 5.1.2. Unless otherwise agreed to in writing, Suppliers are expected to meet requested delivery dates. Valmont measures Supplier on time delivery to the following standard of three (3) days early and zero (0) days late as measured by products received in accordance with agreed shipment terms.
- 5.1.3. Suppliers are expected to coordinate flow of material and information to Valmont. Suppliers should be flexible, provide short lead-times and respond to material or schedule changes when necessary. New business opportunities for both Valmont and our Suppliers depend on our ability to quickly meet customer delivery requirements. Suppliers must continually remove waste from the delivery flow through electronic data interchange (EDI), engineering support, Vendor Managed Inventory (VMI), materials agreements, packaging improvements, etc.

5.2. Shipping Terms

- 5.2.1. **Payment** - Unless otherwise determined by purchase order, contract, or other written agreement, Valmont® prefers to pay for inbound freight. As a result, Valmont partners with the Supplier and will coordinate the transportation. The Global Trade team should be engaged for purchases and transportation between countries.
- 5.2.2. **Incoterms** - Unless otherwise agreed to in writing, Valmont's standard incoterm is FOB customer dock.

5.3. Labeling and Packaging

- 5.3.1. Suppliers are expected to package and mark all products in accordance with applicable Drawings, Specifications, purchase orders, and regulatory requirements.
- 5.3.2. Suppliers must advise and work with the appropriate Valmont contact(s) to understand packaging and labeling requirements. All products shall be shipped in packaging that provides adequate protection during shipment and storage.

5.4. Purchase Order Types

- 5.4.1. Supplier relationships and transactions can be governed by various methods including Supplier Agreements, purchase orders, blanket orders, etc.
 - A purchase order is the basic form of a Supplier relationship. In this relationship, each purchase order outlines the terms and conditions for the order.
 - A Supplier Agreement is a legal document outlining the way we do business with a given Supplier.
 - A blanket purchase order, also known as a standing purchase order, is a longer-term contract between an organization and a Supplier to supply products or services at a fixed price over a certain length of time.

5.5. Payment Terms

- 5.5.1. Unless otherwise agreed to as part of a Supply Agreement or defined within a region or country parameter, standard payment terms are 2% 20, net 90 days from receipt of product.

6. Supplier Qualification & Performance

The process of Supplier qualification ensures that Valmont's Suppliers have Documented and effective systems in place to produce consistent, quality products or services that meet all Specifications and requirements.

6.1. Supplier Selection

- 6.1.1. Valmont® follows an open quoting process that allows all companies, regardless of nationality, size, and experience, the same chance to offer their products and services. Our Suppliers are selected based on their capability, quality assurance, delivery, customer service, total cost of ownership, design & development, manufacturing, strict adherence to ethics and legal compliance, and ongoing business management and communication.

Supplier Selection follows four (4) steps:

- Supplier Request
- Supplier Registration
- Supplier Qualification
- Certificate Management

6.2. Performance Expectations

- 6.2.1. Valmont invests considerable time and resources towards improving Supplier performance with the goal of achieving zero defects and ninety-eight percent (98%) on time delivery from all Suppliers.
- 6.2.2. Valmont monitors the quality and delivery performance of all direct material Suppliers. Additional KPIs are also evaluated based on Supplier spend or segmentation status. These include, but are not limited to, the following key performance indicators (KPIs):
- Flexibility and Ease of Doing Business
 - Partnership and Innovation
 - Quality (Delivery of product which does not meet Specifications)
 - Risk and Compliance
 - Cost
 - Delivery and Support
- 6.2.3. Failure to meet Valmont's performance requirements can result in formal Corrective Action, a hold on new business opportunities, and potentially being removed from Valmont's Supplier list.
- 6.2.4. Supplier performance is measured using a scorecard that includes the KPIs mentioned above. The scorecard is generated monthly based on Valmont system data and is used to help identify areas where Suppliers excel, areas of stability and opportunities for improvement. The scorecard is one tool for measuring the health of the Supplier performance and is intended to be a communication and improvement tool.

6.3. Supplier Development

- 6.3.1. It is important for Suppliers to establish stable and cost-effective processes to deliver goods and services that meet or exceed customer's expectations.
- 6.3.2. Valmont® works with select Suppliers to evaluate and improve processes to enhance total value.
- 6.3.3. The Sourcing, Purchasing and Quality Management team work together to evaluate Supplier performance and determine candidates for Supplier development activities.
- 6.3.4. If selected, Suppliers are expected to participate collaboratively to improve goods, services, and total cost of ownership in an effort to exceed customer expectations.

6.4. Cost Recovery

- 6.4.1. Valmont reserves the right to seek reimbursement for internal/external costs incurred due to Supplier-related issues including, but not limited to, containment, labor to correct Nonconformance, line downtime, damage resulting from Nonconformance, and similar Valmont customer-related costs. Supplier-related issues may include:
 - Failure to deliver parts within the agreed upon lead time that causes a production line stoppage at a Valmont manufacturing location.
 - Nonconforming product identified by a Valmont external customer.
 - Nonconforming product identified within a Valmont manufacturing site.
 - Unapproved changes – failure to notify Valmont of changes as identified within the PPAP process.
- 6.4.2. If such a situation arises, the intent is to have an effective dialogue between both parties to reach a fair and equitable solution and to ensure preventative measures are implemented to prevent future occurrence.

6.5. Quality Management System

- 6.5.1. The Supplier should maintain an effective Documented Quality Management System that communicates, identifies, coordinates, and controls all key activities necessary to design (if applicable), develop (if applicable), produce, deliver, and service products to Valmont.
- 6.5.2. Valmont Documented Procedure for the selection of subcontractors for Fabrication, manufacturing, or erection shall include a provision that requires that these entities have current certification for the type of work that is being subcontracted to one of the applicable international quality management standards such as:

- ISO 9001
 - IATF 16949 (Automotive)
 - AS9100 (Aerospace)
 - American Institute of Steel Construction (AISC 207) - Current Revision Certification Standard for Steel Fabrication and Erection, and Manufacturing of Metal Components
 - Other AISC certifications
- 6.5.3. If the Supplier is required to have certifications - such as those outlined above - but does not, then Valmont® Documented Procedure shall include provisions for obtaining approval to retain a subcontractor who is not certified on a project-specific basis from the owner, owner's designated representative for design, and the owner's designated representative for construction when certification is required in the contract.
- 6.5.4. In general, subcontractors that are fabricators, component manufacturers, and erectors are required to be certified when subcontracted to a certified entity. However, situations may arise in which a certified entity is not able to subcontract with another certified entity. In such cases, the Documented Procedure must address how the certified entity obtains approval to employ a noncertified subcontractor.
- 6.5.5. Additionally, Valmont reserves the right to:
- Invite customers to participate in relevant audits.
 - Disqualify, demote, or require full Supplier requalification prior to resuming business and/or shipment with Valmont.
 - Notify third party certification/registration body used by the Supplier in case of the breach/misuse of its Quality Management System.
- 6.5.6. Supplier Audits - Subcontractors and Suppliers may be evaluated via an audit or Documented acceptable past performance. At a minimum, their quality and timely proper deliveries shall be part of the evaluation.
- Valmont reserves the right to perform Supplier Audits at the Supplier's manufacturing location(s) at a time mutually agreed upon prior to the start of any audit.
 - Supplier Audits typically include questions from a broad range of topics including Management, Environmental Health & Safety, Quality, Operations, Capacity and Supplier Management.
 - Virtual and/or an onsite audit will be conducted by the Supplier Development Team to review supporting Documentation. This assessment typically takes a full day to complete but may take longer depending on the size of the Supplier and scope of the assessment. Prior to conducting the assessment, a recommended supporting resource plan and agenda will be sent to the Supplier.
 - At the conclusion of the Supplier Quality Audit, a summary report will be provided with key findings highlighted and Corrective Action requests and/or opportunities for improvements recommended.

- The lead auditor will use the following classifications when communicating the results of the Supplier Quality Audit within Valmont®:

Approved – Supplier has a well-defined Quality and Safety Management System. Processes are in place to ensure the production of a consistent quality product. All critical Valmont requirements have been met.

Conditional Approval – One or more critical requirements have not been met. Some key gaps in other areas of process control have been identified, but the Supplier has displayed a willingness to complete the necessary Corrective Actions to be a Valmont Supplier.

Rejected - Major gaps in process control and likelihood of producing inconsistent product. Supplier does not appear open or willing to put in the necessary processes or controls to reduce risk.

7. Product Development Process

7.1. Production Part Approval Process (PPAP)

- 7.1.1. The purpose of the PPAP process is to determine whether a Supplier's manufacturing process can produce parts with consistency and repeatability to the requirements. The PPAP process ensures that there is a clear understanding of all requirements between Valmont and the Supplier, to mitigate any unknown risks that could impede the Supplier's ability to deliver a quality product – on time.
- 7.1.2. First Article Inspection (FAI) only provides confidence regarding the sample that was used to generate the FAI; it is not an indicator of what will be received when production starts.
- 7.1.3. PPAP, in addition to FAI, provides assurance that in the future the Supplier can provide a consistent quality product that meets Valmont requirements.
- 7.1.4. The PPAP is a standardized process that helps Valmont and Suppliers communicate and approve production designs and processes before, during, and after manufacture.

7.2. Safe Launch for Critical Components

- 7.2.1. A cross-functional launch support team at the Supplier's location is required to be submitted and approved with increased frequency inspection for each defined critical component and defined immediate action to be taken if an out of control and/or out of specification condition occurs until three (3) months of zero defects are found.
- 7.2.2. This process is intended to prevent potential Nonconformances during the start-up of production, after PPAP approval. The Safe Launch Plan shall be communicated and agreed upon (between Valmont and Supplier).

7.3. Change Management

- 7.3.1. After initial product approval from Valmont®, Suppliers are not allowed to amend the product and processes without prior written notification and agreement with Valmont.
- 7.3.2. For any change, Valmont reserves the right to requalify the product with an appropriate PPAP. Any change is subject to sole and final written approval from Valmont.

7.4. Supplier Deviation Request

- 7.4.1. If a Supplier requests a deviation from Specification, Purchasing submits a deviation request to Engineering and Quality via a Deviation Request Form. The only exception will be a deviation that has been pre-approved by Engineering.

Appendix.

A. Acronyms

AISC. American Institute of Steel Construction ASNT. American Society for Nondestructive Testing ASTM. American Society for Testing and Materials AWS. American Welding Society

COC. Code of Conduct

C-TPAT. U.S. Customs-Trade Partnership Against Terrorism

EINECS. Existing Commercial Chemical Substances

ELINCS. European List of Notified Chemical Substances

GHG. Green House Gas Emissions

MSDS. Material Safety Data Sheets

NYSE. New York Stock Exchange

OSHA. Occupational Safety and Health Act

REACH. Registration, Evaluation, Authorization and Restriction of Chemicals (European Union regulation)

PBBs. Polybrominated Biphenyls

PBDEs. Polybrominated Diphenyl Ethers

PFAS. Per- and Polyfluoroalkyl Substances

RMI. Responsible Minerals Initiative

RoHS. Restriction of Hazardous Substances Directive

PCBs. Polychlorinated Biphenyls

TSCA. Toxic Substances Control Act

VMI. Vendor Managed Inventory

B. Terms, Definitions & References

Coating. A material applied to the product surface to prevent corrosion in service and/or enhance the quality of the surface

Corrective Action. An action taken to identify and eliminate the root cause of an existing Nonconformance, thereby preventing recurrence

Documentation (Documented). Material that provides information or evidence. Documentation includes, but is not limited to, written instructions, Drawings, diagrams, charts, photographs, electronic media, Specifications, and references to or excerpts from appropriate technical standards and codes

Documented Procedure. A procedure that is established, Documented, implemented, and maintained. The Documentation provides information about how to perform an activity or process consistently

Documentation shall contain:

- (a) The purpose of the procedure
- (b) Process definition that includes steps required for completion
- (c) Assignment of responsibility for performance
- (d) Assignment of responsibility for review, revision, and/or approval of the procedure
- (e) Identification of records that are generated
- (f) For inspection and testing, frequency and Documentation of the activities

Drawings. This generally refers to shop Drawings. In the context of Special Process requirements for detailing, refer to AISC terms and definitions

Supplier. The firm selling a product or providing a service to Valmont®

Fabrication. A general term used in the structural steel industry that refers to manufacturing processes performed to prepare a single piece or assembly for erection. Examples of Fabrication processes include, but are not limited to, thermal cutting, mechanical cutting, assembly, welding, and Coating

Nonconformance. An attribute of a product, process, or system that fails to meet defined requirements

Objective Evidence. Data supporting the existence or verification of claim. Records, statements of fact, or other information that are relevant to the audit criteria and are verifiable. In this context, it is evidence of whether the quality management system is functioning properly. Objective Evidence may be obtained through observing performance of a task, inspecting or testing product, reviewing Documentation, or interviewing personnel

Preventive Action. An action taken to identify and eliminate the root cause of a potential Nonconformance, thereby preventing it from occurring

Purchasing Documents. The documents issued by the customer to define requirements for purchased products or services

Quality Assurance (QA). The planned and systematic actions necessary to provide adequate confidence that a product or service will satisfy given needs

Quality Audit. A systematic, independent, and Documented Process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled

Quality Control (QC). The operational techniques and the activities that sustain a quality of product or services that will satisfy given needs; also, the use of such techniques and activities

Quality Manual. A document stating the quality policy and describing the Quality Management System

Quality Management System. A system to establish policy, goals, plans and resources to direct and control an organization regarding quality

Rework. Action taken on a nonconforming product to make it conform to the requirements

RFI. A Documented request for information or clarification, typically in relation to quality requirements

Special Process. A process that Valmont has identified as requiring validation to ensure that outputs conform to specification and are therefore subject to Special Process requirements. Examples of Special Processes include, but are not limited to, welding, painting, galvanizing, detailing, and non-destructive evaluation

Specifications. Written requirements, typically referenced by Purchasing Documents or Drawings

Statistical Process Control (SPC). Application of statistical methods such as control charts to analyze a process and evaluate statistical control and process capability



C. Document Version History

Revision	Explanation of Changes	Approved By
Rev 0: November 11, 2022	Original Release	Kerry Jacques, Vice President Global Supply



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