

The Eastern Company Corporate Policy Manual

Item: Anonymous Hotline Policy
Issue Date: May 15, 2024; Revised February 2026

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ANONYMOUS HOTLINE POLICY

A. Purpose

The Eastern Company (including all its divisions and subsidiaries, the “Company”) is committed to maintaining the highest standards of accounting, public reporting and ethical and legal business conduct. The Company has therefore adopted this Anonymous Hotline Policy (this “Policy”) in order to:

- establish clear procedures for the confidential and anonymous reporting of concerns regarding suspected misconduct and the treatment of all such reported concerns received by the Company;
- encourage individuals to report concerns regarding suspected misconduct; and
- protect individuals who make reports in good faith from retaliation.

In addition, this Policy is intended to ensure compliance with applicable laws, including Section 301 of the Sarbanes-Oxley Act of 2002.

B. Applicability

This Policy applies to all officers, directors, employees, consultants, vendors and other stakeholders of the Company.

C. Background

The Company has established the procedures set forth in this Policy for the confidential, anonymous reporting of work-related concerns. The Company encourages individuals to report concerns at the earliest opportunity to help strengthen the Company’s efforts to prevent and eliminate wrongdoing and foster an environment of honest and ethical behavior. The Company prohibits retaliation against any individual who reports a concern in good faith.

Individuals are encouraged to attempt to resolve concerns by reporting issues directly to their supervisor, a Human Resources representative or another member of management. However, if for any reason an individual is not comfortable raising an issue directly with a supervisor, Human Resources representative or another member of management, the Company has created an additional resource – an anonymous Hotline.

Employees can use the Hotline to report issues directly to an independent third-party provider staffed with trained, multi-lingual professionals, who are available 24 hours a day, 7 days a week. The third-party provider will notify the Audit Committee Chair and the Audit Director of all issues reported to the Hotline.

Nothing in this Policy is intended to limit or interfere with any individual’s rights under applicable law to report concerns directly to a government or regulatory agency, including the Securities and Exchange Commission (SEC).

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D. What can be reported

The Hotline can be used to report any work-related concerns, including, but not limited to, the following:

- accounting, internal accounting controls or auditing matters
- fraud, theft, embezzlement, misrepresentation or financial irregularities
- breach of law, regulatory violations or violations of Company policies
- bribery, kickbacks, corruption, conflicts of interest or other ethical violations
- waste or misuse of Company property, funds, information or other Company resources
- falsification of contracts, reports or records
- discrimination, harassment or workplace misconduct
- alcohol or substance abuse
- child labor or freedom of association violations
- unsafe working conditions or safety violations, including violations of environmental, health or safety laws
- pressure to do something wrong
- retaliation for someone bringing forth a concern in good faith

E. Procedures

How to raise issues of concern via the Hotline

To ensure individuals can easily report issues of concern, the Company uses TeleSentry, an independent third-party, or “Service Provider”, to administer the Hotline.

Individuals may access the Hotline by contacting the Service Provider using one of the following methods:

- Call the Hotline, toll-free, at (888) 883-1499
- Email the Hotline at report@telesentry.biz
- Text the Hotline at (203) 221-1742

Each of these methods of reporting is available 24 hours a day, seven days a week.

The steps below outline the procedures for individuals to report concerns and the steps the Company and the Service Provider will take after receiving a report

- Employee identifies a reportable incident or concern.
- Employee contacts the Hotline to report the incident or concern.
- All parties utilizing the Hotline will be advised that they have reached an anonymous reporting hotline and will be asked for the Company’s name.
- All reports will be assigned a unique “File ID” consisting of a company code, date and sequential report number.

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- Each party contacting the Hotline will be given the option of assigning a password for his or her report. The Service Provider will maintain these passwords in a protected database. This will enable callers to call back and add information or retrieve responses.
- The Hotline team at the Service Provider documents the incident while maintaining the individual's confidentiality to the fullest extent possible (as noted below, individuals may elect to make their report anonymously).
- The Hotline team emails a copy of the report to the assigned individuals within the Company.
- The Company reviews the report and determines an appropriate response, which may include an investigation and/or other measures to address the concerns raised in the report.
- Any follow up with the employee with respect to an investigation reported through the Hotline is managed via the Hotline team at the Service Provider.

Confidentiality and non-retaliation

Individuals reporting an issue via the Hotline may elect to make their report anonymously. Hotline reports are submitted by the Service Provider to the Company for a response, which may include, if necessary, an investigation. Investigations may be internal or external and may be performed by members of the Company or third parties. A reporting individual's anonymity will be protected to the extent possible and as required by law, but individuals should be aware that an investigation could result in their identity being unintentionally revealed in the course of any such investigation.

The Company prohibits retaliation against any individual for using the Hotline in good faith, or for assisting or participating in any manner in any investigation or proceeding of any type. Individuals who feel they have been subjected to any type of retaliation as a result of using the Hotline in good faith or assisting or participating in any investigation or proceeding should immediately contact the Audit Director or the Hotline as provided above.

Any report of retaliation by anyone against an individual reporting a complaint in accordance with the procedures outlined above will be promptly investigated. If a complaint of retaliation is substantiated, appropriate disciplinary action will be taken, up to and including termination.

Knowingly making false or malicious allegations may itself be a violation of Company policy and may result in disciplinary action.

Details required to enable a proper investigation

While individuals making a report are not expected to prove the truth of an allegation, they are encouraged to provide as much specific information as possible to allow the Company to evaluate the report and conduct an effective investigation, if necessary. This may include providing names, dates, locations and other relevant facts.

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Notification and acknowledgement of a report to the Company

Upon receipt of a report, the Service Provider shall promptly notify via email the Company's Audit Committee Chair and the Audit Director. A representative of the Company will acknowledge to the Service Provider the receipt of the report as soon as practicable after receipt.

If the reporting person opted to create a password to access the case resolution, the Service Provider will send a standard acknowledgement of receipt to the reporter, typically within 24-48 hours.

Upon being notified by the Service Provider, the Audit Director will document the report in the Ethics Hotline Log and will notify the appropriate parties within the senior executive team (CEO, CFO, Head of Human Resources, etc.). The Audit Committee Chair will notify the Board of Directors as appropriate under the circumstances.

All complaints, reports, and investigation records will be maintained by the Audit Director in accordance with the Company's record retention policy and applicable law.

F. Review and Amendments to the Policy

This Policy will be reviewed periodically to ensure that it remains effective and in compliance with applicable laws, rules and regulations. The Company reserves the right to modify or amend the Policy at any time as it may deem necessary or appropriate.