

SUNSWAP SUPPLIER CODE OF CONDUCT

1. Introduction

- 1.1. Sunswap is a UK-based clean-tech company on a mission to decarbonise the global cold chain with innovative, cost-competitive and zero-emission transport refrigeration. Sunswap's patent protected, proprietary, solar-battery electric technology offers the first real alternative to conventional diesel-powered systems.
- 1.2. At the heart of Sunswap's design ethos are three core tenets:
 - sustainability
 - reliability
 - cost-competitiveness
- 1.3. Sunswap is dedicated to ensuring that all its products and services embody these three pillars and exceed its customers' expectations and, in every aspect of its operations, Sunswap is committed to responsible environmental, social and governance practices.
- 1.4. Sunswap's suppliers are crucial to its ability to deliver those products and services and Sunswap strives to establish enduring relationships with innovative and accountable suppliers that reflect its ethical business practices. Accordingly, this Supplier Code of Conduct (the "**Code of Conduct**") sets out the core principles to which its suppliers must adhere and identifies the applicable legislation that must be followed.

2. Scope and Requirements

- 2.1. As a company based in the UK but serving international customers and working with suppliers located throughout the world, this Code of Conduct is aligned with the [ten globally-recognised United Nations Global Compact corporate sustainability principles](#) ("**UNGC Principles**") of:
 - human rights
 - labour
 - environment
 - anti-corruption
- 2.2. In addition to the UNGC Principles, the Code of Conduct incorporates an eleventh principle regarding the supplier's commitment to Health and Safety at Work obligations.
- 2.3. The terms of this Code of Conduct apply to suppliers engaging directly with Sunswap as well as to any parent, subsidiary or affiliate entities of those suppliers and any third parties with which Sunswap suppliers do business (including, the supplier's own suppliers, subcontractors, joint venture partners and other third parties).
- 2.4. Sunswap suppliers are responsible for ensuring that their own business relationships also have processes to ensure compliance with the requirements of this Code of Conduct.

3. Precedent and Conflict

- 3.1. Sunswap suppliers must adhere to all applicable national laws from where they conduct business. Where a supplier's national laws provide for a greater or lesser level of protection than the principles and the applicable legislation set out in section 5 of this Code of Conduct, those providing greater level of protection and the higher standard shall apply.
- 3.2. Where there is a conflict between the supplier's applicable national laws and the provisions of this Code of Conduct, the supplier shall notify Sunswap to that effect and the parties shall identify and document any potential conflict and agree how the provisions of the Code of Conduct may be honoured whilst ensuring that the supplier continues to comply with the applicable national laws.

4. Accountability and Governance

- 4.1. Accountability
 - 4.1.1. A key requirement of the Code of Conduct is that of supplier accountability: in addition to complying with the principles and the applicable legislation set out in section 5 of this Code

of Conduct, Sunswap suppliers must also be able to conclusively demonstrate such compliance to Sunswap.

4.1.2. Sunswap will assess a supplier's compliance with the Code of Conduct throughout the term in which it engages such supplier. Assessment will be conducted through a combination of:

- questionnaires
- audits
- documentation reviews
- supplier self-assessments

4.1.3. Suppliers must promptly cooperate with all reasonable requests relating to supplier compliance assessment by Sunswap or its nominated compliance partner.

4.2. Governance

4.2.1. A key requirement of the Code of Conduct is that of governance: in addition to complying with the principles and the applicable legislation set out in section 5 of this Code of Conduct, Suppliers should adopt a statement of policy as a public commitment to fulfil their responsibility to abide by the UNGC Principles and that of Health and Safety at Work, approved by their board or equivalent.

4.2.2. The policy should stipulate the supplier's expectations of its personnel, business partners and those directly linked to the organisation's operations, products or services. The policy should be reflected in operational policies and procedures in order to embed it throughout the supplier's business functions. The policy and the procedures should incorporate:

- *Assessment* - suppliers should take proactive, ongoing steps to understand how existing and proposed activities may cause or contribute to breaches of the UNGC Principles and/or those of the Code of Conduct. The scale of the review will depend on the industry, company size and national and local context and should be commensurate with the risk of impact.
- *Integration* - leadership from the top is essential to embed respect for compliance throughout a company, and suppliers must assign responsibility for addressing impacts to the appropriate level and function within the business and develop a training and oversight process.
- *Tracking performance* – suppliers should undertake regular, formalised, documented due diligence with respect to its (and any of the supplier's own suppliers, subcontractors, joint venture partners and other third parties) adherence to the UNGC Principles, identifying:
 - potential and actual impacts on the key sustainability principles; and
 - processes and procedures to prevent and mitigate potential and actual impacts on the key sustainability principles.
- *Taking action* – suppliers should implement procedures to ensure that a principle of continual improvement is adopted, ensuring that any potential and actual impacts on the key sustainability principles are minimised and and/or any breaches are addressed, and systems put in place to reduce or remove the likelihood of a recurrence.
- *Reporting performance* – suppliers should implement a formal reporting process of a form and frequency that reflects the supplier's impacts to the UNGC Principles, accessible to the intended audience and that provides enough information for stakeholders (including Sunswap) to evaluate the adequacy of the supplier's response to impacts.
- *Remediation* – suppliers should implement formal and informal systems to provide for the supplier's employees (and any of the supplier's own suppliers, subcontractors, joint venture partners and other third parties' employees) voicing any grievances or concerns with respect to its adherence to the UNGC Principles together with a formal process for reporting any breaches to Sunswap.

5. Code of Conduct Principles and Applicable Legislation

5.1. Sunswap suppliers must (and must mandate that the supplier's own suppliers, subcontractors, joint venture partners and other third parties must):

- abide by the Principles;
- comply with all applicable national laws including the Applicable Legislation; and
- have a formal policy and documented procedures that address the Specific Undertakings,

each as set out in the tables below.

HUMAN RIGHTS & LABOUR		
Principles	Applicable Legislation	Specific Undertakings
<ol style="list-style-type: none"> Suppliers must support and respect the protection of internationally proclaimed human rights. Suppliers must make sure that they are not complicit in human rights abuses. Suppliers should uphold the freedom of association and the effective recognition of the right to collective bargaining. Suppliers should uphold the elimination of all forms of forced and compulsory labour. Suppliers should uphold the effective abolition of child labour. Suppliers should uphold the elimination of discrimination in respect of employment and occupation. 	<ul style="list-style-type: none"> • Human Rights Act 1998 • UN International Bill of Human Rights (comprising Universal Declaration of Human Rights (UDHR), International Covenant on Economic Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR)) • Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998) • UK Modern Slavery Act 2015 • International Labour Standards on Child labour • Equality Act 2010 	<p>Suppliers must:</p> <ul style="list-style-type: none"> • respect the right of all workers to form and join a trade union of their choice without fear of intimidation or reprisal; • make reasonable accommodations for all employees' religious observance and practices; • create an open, transparent and safe working environment where workers feel able to speak up; • establish non-discriminatory policies and procedures with respect to applications for employment and decisions on advancement, dismissal or transfer; • not confiscate workers' identity documents; • write employment contracts in languages easily understood by workers, indicating the scope of and procedures for leaving the job; • have a clear policy not to use, be complicit in, or benefit from forced labour or child labour; • be aware of countries, regions, sectors and economic activities where there is a greater likelihood of forced labour and/or child labour and respond

		<p>accordingly with policies and procedures;</p> <ul style="list-style-type: none"> • use adequate and verifiable mechanisms for age verification in recruitment procedures; • treat everyone equally, with fairness, dignity and respect the human rights of: <ul style="list-style-type: none"> ○ freedom from discrimination ○ right to equality between men and women ○ freedom from torture ○ freedom from slavery ○ right to liberty and security of person ○ right to privacy ○ freedom of religion and belief ○ freedom of expression ○ right of peaceful assembly ○ freedom of association ○ right to marry and found a family; and ○ other minority rights; and • carefully monitor its supply chains and subcontracting arrangements to ensure that the supplier's own suppliers, subcontractors, joint venture partners and other third parties are not complicit in human rights abuses.
ENVIRONMENT		
Principles	Applicable legislation	Specific undertakings
<p>7. Suppliers should support a precautionary approach to environmental challenges.</p> <p>8. Suppliers should undertake initiatives to promote greater environmental responsibility.</p> <p>9. Suppliers should encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> • Environmental Code of Conduct / policy (IAW 1992 Rio Declaration) 	<p>Suppliers must:</p> <ul style="list-style-type: none"> • Have an environmental policy that sets out its commitment to environmental responsibility; • implement procedures to prevent, manage and mitigate industrial accidents that might have an adverse impact on the environment or local communities; • implement processes and procedures that minimise its

		<p>impact on the environment, including:</p> <ul style="list-style-type: none"> ○ emissions to air ○ releases to water and land ○ consumption of energy and natural resources; and • regularly measure, report and review its environmental performance against internationally recognised standards including: <ul style="list-style-type: none"> ○ production ○ maintenance ○ supply ○ packaging; ○ disposal; and ○ recycling processes.
ANTI-CORRUPTION		
Principles	Applicable legislation	Specific undertakings
10. Suppliers should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Bribery Act 2010 • UN Convention Against Corruption (UNCAC) 2005 • Sanctions and Anti-Money Laundering Act 2018 • UN Security Council Sanctions Resolutions • Criminal Finance Act 2017 • UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 	<p>Suppliers must:</p> <ul style="list-style-type: none"> • keep accurate and comprehensive records of all matters relating to its engagement and activities with Sunswap and protect all Sunswap confidential information; • not encourage or allow anyone to engage in any form of bribery or facilitation payments intended to improperly influence someone; • not offer any incentive, reward, gift or hospitality to any Sunswap director or employee or any person connected to them with the intention of influencing Sunswap business decisions; • not permit or participate in political contributions, charitable donations, and sponsorships in expectation of undue advantage; • not onboard a sanctioned client and must process customers and suppliers

		based on the UN restrictions they or their country face; <ul style="list-style-type: none"> • not permit or participate in money laundering; • not engage in tax evasion or facilitate the evasion of tax by any other party; and • adhere to the applicable data protection, information security and privacy laws.
HEALTH & SAFETY AT WORK		
Principles	Applicable legislation	Specific undertakings
11. Suppliers must provide safe and healthy working conditions for all workers.	<ul style="list-style-type: none"> • Health and Safety at Work Act (HSWA) 1974 • Management of Health and Safety at Work Regulations (MHSWR) 1999 	Suppliers must: <ul style="list-style-type: none"> • conduct regular health and safety risk assessments across all aspects of their operations; • develop and implement effective health and safety management systems to mitigate those risks; • implement appropriate training for all employees to ensure the safe execution of assigned tasks; • report and investigate all incidents, accidents and near misses related to health and safety; and • regularly and formally review its health and safety performance and identify and implement ways to improve health & safety and reduce risk.

6. Compliance with the Code of Conduct

- 6.1. The information in this Code of Conduct and the supplier's obligations to comply with it are without prejudice - and in addition – to that of any contract or agreement in place between Sunswap and the supplier.
- 6.2. In the event of any conflict between the obligations of the Code of Conduct or those mandated by national laws or legislation or those of any contract or agreement in place between Sunswap and the supplier, the more onerous requirements that provide the highest level of protection and the higher standard shall apply.
- 6.3. If a supplier discovers or is informed that it causes or contributes to an adverse impact and/or breaches this Code of Conduct it shall notify Sunswap to that effect and use best endeavours to remedy such impact and prevent recurrence of such impact through legitimate processes.

- 6.4. If a supplier did not cause or contribute to an adverse impact but is linked to it through its own supply or value chain, it shall notify Sunswap to that effect and use all reasonable endeavours to make such entity remedy such impact and prevent recurrence of such impact through legitimate processes.
- 6.5. Without prejudice to any other rights available to it at contract or law, should a Sunswap supplier or any third parties with which such supplier does business (including, the supplier's own suppliers, subcontractors, joint venture partners and other third parties) breach any of the provisions of this Code of Conduct, Sunswap reserves the right to:
- 6.5.1. suspend any contract or agreement in place between Sunswap and the supplier until such breach is remedied to Sunswap's satisfaction; or
- 6.5.2. terminate any contract or agreement in place between Sunswap and the supplier.

Company:
Signature:
Name (print):
Title:
Date: