

Supplier code of conduct

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Introduction

PowerCell's suppliers play a central role in supporting our mission to accelerate the transition towards zero-emission energy solutions. For us, sustainability is close to our hearts and an integral part of our business. Our solutions are important contributors to an emission-free and sustainable world. However, sustainability is much more than contributing to a zero-emissions world. It is also about environmental responsibility, providing safe and fair workplaces, respecting human rights throughout the value chain and doing business with high ethics. PowerCell always strives to consistently deliver products of high value, quality, reliability and uncompromisable safety. We are firm in our belief that high quality products can be produced without compromising on environmental or social values. We believe that by working together with our suppliers, we can make a significant impact on the environment and create a sustainable future.

This Supplier Code of Conduct explains what PowerCell expects from you as a PowerCell supplier with regards to sustainable and responsible business practices. It forms the foundation of PowerCell's Sustainable Purchasing program and defines what customers, consumers, investors, and other stakeholders can expect from PowerCell. PowerCell strives to work with selected suppliers and business partners who respect our quality ambition, values and comply with the principles of this Code.

PowerCell is also adhering to multilateral aims and agreements, such as the UN Sustainable Development Goals and the Paris Agreement. The PowerCell requirements are based on internationally agreed standards such as International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights in Working Life, the OECD's principles and standards for how multinationals companies must conduct responsible business and the UN Convention on the Rights of the Child and the UN Convention against Corruption, and also on national legislation.

1. Applicability

All our business partners, including suppliers, distributors, consultants, and independent contractors are expected to adopt and comply with the ethical business standards and values set out in this SCC, and to actively communicate such standards when dealing with their own (sub-)suppliers.

Supplier must have ethical and responsible sourcing practices in place and source only from companies that satisfy the requirements of this SCC.

Supplier must secure a due diligence framework to ensure that the supplier has policies and processes in place to identify, prevent, mitigate, and account for adverse impacts in their own operations and related to their own (sub-) suppliers regarding human rights and environmental risks. The due diligence framework shall be governed by the supplier's senior management and the approach shall be based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. PowerCell reserves the right to verify compliance with the supplier's human rights policy and due diligence framework, to secure it operates in line with the mentioned principles and guidance documents.

Also, supplier shall actively work to understand all sites and companies involved in their production and supply chain, and upon request should be able to provide PowerCell with adequate details of the supply chain for the goods supplied to PowerCell.

2. Ethical business practices

2.1 Integrity

Supplier shall always conduct their business in a professional and independent manner, and in accordance with standards set forth in all applicable international and national laws and regulations while recognizing that PowerCell's requirements may sometimes exceed those standards. At minimum, supplier must act with integrity, honesty, and fairness in all aspects of their business.

2.2 Fair competition

Supplier and all persons acting on their behalf shall comply with national and supranational antitrust and competition laws. They shall not enter directly or indirectly into any illegal agreements with their competitors nor exchange sensitive information, e.g., regarding markets, customers, strategies, prices and the like. All suppliers and all persons acting on their behalf shall participate in public tenders and private sector bidding procedures by strictly following the applicable laws and regulations.

2.3 Conflicts of interest

Supplier shall inform PowerCell if any PowerCell employee has an interest in the supplier's business which might cause a conflict of interest. Supplier and persons acting on their behalf must avoid conflicts of interest with respect to their private activities, entities in which they, their close relatives or associates have an interest, their business activities with other parties and their part in the business relationship with PowerCell. Supplier shall inform PowerCell about existing conflicts of interest as soon as it becomes aware of such conflicts.

2.4 Anti-corruption, bribery, money laundering and financing of terrorism

Supplier and all persons acting on their behalf shall comply with all applicable anti-corruption laws while conducting business with PowerCell. Bribery and any other form of corrupt business practice are strictly prohibited. The direct or indirect offer, granting or acceptance of illegitimate benefits to generate, maintain or accelerate business is unacceptable. Supplier must ensure that no such benefits are exchanged in the course of their business.

PowerCell have zero tolerance for money laundering and financing of terrorism and we expect the same from all our suppliers. Suppliers should have routines in place to mitigate risks for such acts, including having sufficient knowledge about business partners and sub-suppliers.

Supplier shall conduct appropriate risk-based due diligence prior to engaging any sub-supplier to ensure that such third parties comply with all applicable laws governing matters related to anti-corruption, money laundering and financing of terrorism.

2.5 Gifts and entertainment

Supplier must not provide any gift, meal, or entertainment to an PowerCell employee that might influence, or appear to influence, an PowerCell employee's decision in relation to PowerCell's business with the supplier.

PowerCell representatives are not allowed to accept gifts or hospitality if this may influence or appears to influence a business decision. PowerCell employees shall always pay for their own travel and accommodation, e.g., when visiting suppliers or attending conferences.

2.6 Accurate books and records and tax compliance

Keeping accurate books and records as well as declaring truthfully all required taxes and duties is an indispensable part of running a lawful and transparent business in a sustainable way. PowerCell expects its supplier to act with the highest degree of diligence in this respect.

2.7 Data protection

Supplier shall comply with all applicable data protection laws in collecting, processing, storing or otherwise handling personal data of any individuals, including, without limitation, their own employees and employees of their customers, suppliers, and business partners.

2.8 Trade restrictions and sanctions

Supplier should ensure its business is conducted in compliance with any applicable trade restrictions and sanctions, as well as rules concerning export controls.

2.9 Duty to report

Supplier must report to their PowerCell representatives any suspicions of a material breach of any of Supplier's obligation under this Supplier Code of Conduct section including any breach by Supplier's sub-suppliers.

3. Occupational health and safety

Suppliers must take the necessary steps to ensure a safe, hygienic, and healthy working environment for all their employees in accordance with local legislation.

As part of this effort, Supplier must have in place a documented Health and Safety Management System providing for continuous monitoring and improvement of the working environment. The preferred standard is the ISO 45001 certification. Workers should always be provided all necessary and suitable personal protective equipment at no cost. Supplier must also have a senior manager within its organization who is directly responsible for Health and Safety. All suppliers are required to provide relevant information to enable PowerCell to fulfil its obligations regarding occupational health and safety.

4. Fair labour practices and free association and collective bargaining

PowerCell expects its suppliers will treat their employees and all people acting on their behalf with the highest ethical standards. Supplier must adhere to international and national conventions and laws in the area of fundamental rights, including, but not limited to, non-discrimination, freedom of association, the right to collective bargaining, protection of children and mothers and the right to form works' councils. Also, the supplier is expected to adopt an open attitude towards the activities of trade unions and their organisational activities. If national legislation prohibits organization of unions, the Supplier shall encourage alternate forms of representation such as establishing internal committees or equivalent. Furthermore, PowerCell suppliers are not allowed to use or threaten to use corporal punishment or other forms of abuse.

If required by local law, all employees of a PowerCell supplier must have an employment contract. Suppliers' working hours shall comply with national laws and local industry standards, and wages and other benefits provided by supplier must be fair and at least equal to the minimum relevant legal and industry standards. Payment of wages shall be made directly to the employee or an employee-controlled account. Payment frequency shall be at least once per month and there shall be no late payment of wages.

5. Forced labour

PowerCell does not accept any form of forced labour, bonded labour, modern slavery, human trafficking or involuntary prison labour. Supplier shall take measures to ensure they do not engage in or support the use of any form of forced, bonded labour or involuntary prison labour. This includes all forms of human trafficking and working against one's own will or choice. No employee shall be required to lodge deposits or identity papers when commencing employment and every employee should be free to leave their employer after reasonable notice. If Supplier uses a staffing recruiter or agency, in no event shall workers be charged fees or expenses related to their recruitment.

6. Child labour

PowerCell does not accept child labour or any other form of exploitation of children. The minimum age is not, under any circumstances, less than 15 years. Suppliers should work actively to prevent all forms of child labour or exploitation in their sphere of influence. Preventive measures expected from suppliers include, at minimum, establishing a system to verify the worker's age at the time of employment and eligibility to work. Documentation shall be maintained to demonstrate due diligence. In the event of any failure to comply with the requirements of not using any child labour, the supplier is expected to remedy the situation as quickly as possible and in the best interest of the child.

7. Discrimination

PowerCell suppliers are expected to adopt and enforce policies which effectively prohibit discrimination or harassment on the grounds of gender, marital or parental status, ethnic or national origin, caste, sexual orientation, religious belief, political affiliation, age, disability, or of membership in a trade union or employee organization. The Supplier shall provide a work environment free from any form of discrimination. Equal pay for men and women for work of equal value shall be promoted.

8. Conflict minerals and human rights

PowerCell products must not be linked to armed conflicts or human rights abuses. No raw materials or supplies should originate from any conflict area, and components included in electronics supplied

to PowerCell shall be the subject of a documented responsible supply chain. Relevant information shall be provided to PowerCell in the form of a completed CMRT (Conflict Minerals Reporting Template) document. Included components may not contain the minerals defined as conflict minerals (tantalum, tin, tungsten, and gold) or their derivatives unless they are sourced through recognized and responsible certification schemes.

9. Respect for the environment

At all times, PowerCell suppliers are expected to act in an environmentally responsible manner, and to respect applicable laws, regulations and environmental permits where the supplier Operates. PowerCell suppliers are expected to implement procedures and standards that, at minimum, meet legal requirements and cover environmental aspects such as waste management, handling and disposal of chemicals and other hazardous materials, emissions to air and water as well as energy and water use. The supplier shall maintain an environmental management system, preferably one that is certified in accordance with ISO 14001, EMAS or equivalent.

PowerCell requires its suppliers to make continuous improvements in environmental protection and to minimize the environmental impact and pollution generated by their activities. Environmental aspects shall not be limited to the supplier's own operation. Local, regional, and global environmental issues shall be taken into consideration.

It is in the core of PowerCell's business to contribute to a low carbon energy system and we expect our suppliers to support a precautionary approach to environmental challenges. Suppliers to PowerCell are encouraged to actively work with, and disclose continuous improvements concerning climate action and green house gas reporting. If a supplier has a considerable green house gas footprint, PowerCell reserves the right to request the supplier to implement targets and measures to reduce its emissions.

10. Community relations and impact on local communities

PowerCell encourages suppliers to be a positive influence within and act with respect for the communities in which they operate. PowerCell values suppliers who provide their employees with a thriving workplace environment and development opportunities.

11. Supplier diversity

PowerCell values relationships with a broad spectrum of suppliers and works towards providing the maximum attainable opportunity for small and diverse businesses in the performance of all vendors. Therefore, PowerCell seeks to extend and develop its Supplier program, and values suppliers who allow opportunities for small and diverse businesses, operated locally to participate in subcontracts, where participation opportunities are present.

12. Grievance mechanisms

PowerCell expects its suppliers to have in place effective grievance channels through which individuals who may be adversely impacted by the supplier's business practices can report complaints and grievances about violations to the principles outlined in this SCC.

13. PowerCell's grievance mechanism

External parties such as suppliers' work force can always anonymously report what they believe to be a violation of this Supplier Code of Conduct through our whistle blowing service that can be found at <https://powercellgroup.com/whistleblower>

14. Audit of compliance

PowerCell or appointed independent 3rd party engaged by PowerCell, subject to customary confidentiality constraints should have the right to review and audit, during normal business hours and subject to reasonable prior notice, all relevant business information, documents, and communications (electronic or otherwise) relating to any action undertaken in connection with this Supplier Code of Conduct for the purpose of assessing the suppliers compliance with this code or any legal requirement in relation to the areas covered by this code. The supplier shall cooperate and promptly provide information to any reasonable questions needed to audit the supplier's compliance.

15. Breach of the supplier code of conduct

If a supplier or any of its own (sub-)suppliers fails to comply with the requirements set forth in this Supplier Code of Conduct, the supplier must take appropriate action to remedy the breach and prevent a recurrence of such breach in the future. PowerCell reserves the right to terminate the business relationship with any supplier who deviates persistently from or breaches this Supplier Code of Conduct in a material way.