

Partner Code of Ethics and ESG policy

April 2023

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Preamble

SHI International Corporation and our affiliates (“SHI”) are committed to acting responsibly, including in the way we buy and with whom we work. We evaluate and select our partners not only based on economic criteria. We consider environmental protection, compliance with human rights, labor and social standards, and anti-corruption.

We expect our partners to fully comply with applicable laws and to adhere to internationally recognized environmental, social, and corporate governance (“ESG”) standards. Our approach is guided by the principles of the United Nations Global Compact, the United Nations Guiding Principles, human rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

By continuing to work with SHI you are committing to SHI’s established ESG standards and values.

Scope

The SHI Partner Code of Ethics, which applies to SHI, all our subsidiaries, and all affiliates, is relevant to all our partners, including agents, trading companies, service providers, their subcontractors, and all members of the supply chain (“partners”).

Our partners must accept our Partner Code of Ethics and always adhere to our principles, i.e., in all situations where an entity of SHI is directly or indirectly involved. Our partners should strive to provide appropriate training to enable their managers and employees to have an adequate level of knowledge and understanding of applicable laws, regulations, and generally accepted standards, as well as the standards expected by SHI.

Human rights and labor standards

SHI respects human rights as set out in the United Nations Universal Declaration of Human Rights. We require our employees to treat others with fairness, respect, and equality. We expect our partners to respect the rights of their employees and contractors and to comply with all relevant laws, regulations, and policies of the country in which they operate. Where such relevant local laws do not exist, suppliers are expected to comply with this Partner Code of Ethics in all cases.

The requirements listed below cover SHI’s expectations in relation to a range of human rights issues. SHI also expects partners to provide opportunities for their employees and other stakeholders to report concerns or potentially unlawful practices in the workplace.

Forced labor, child labor, human trafficking, and slavery

SHI expects partners NOT to:

- Use any form of forced or involuntary labor.
- Engage in any form of human trafficking, including but not limited to the recruitment, transportation, transfer, harboring or receipt of persons through improper means (such as force, abduction, fraud, or coercion).
- Employ or use workers who are below the minimum age (the minimum age being the higher of the applicable child labor laws of the country in which the company operates or the ILO requirements).

Working hours, wages, and benefits

SHI expects partners to:

- Pay all workers the legal minimum wage or a wage that meets local industry standards, whichever is higher.
- Adhere to working hours in accordance with local laws.



Partner Code of Ethics and ESG policy

April 2023

- Pay full-time workers enough to meet their basic needs in the country where there is no legal minimum wage.
- Comply with all other applicable local laws and regulations regarding wages, working hours and benefits, e.g., overtime, maximum working hours and social benefits.

Non-discrimination and professional standards

SHI expects partners to:

- Strive for the highest possible professional standards, to maintain a respectful and dignified relationship with all those with whom the partner deals, including its own suppliers, customers, and employees, as well as SHI's customers and employees. The partner's engagement should be free from harassment, abuse of any kind, and any harsh and inhumane treatment.
- Not discriminate against people based on personal characteristics, including but not limited to gender, gender identity or expression, sexual orientation, race, and ethnicity.
- Comply with local laws and regulations.

Health and safety

SHI expects partners to:

- Create a safe and healthy working environment, and take proactive measures to prevent and minimize injuries and illnesses to their employees.
- Identify and eliminate hazards and risks to health and safety at work.
- Continuously work to improve the management of workplace health and safety.
- Where partners' activities involve chemicals or other materials that pose a risk to human health, we expect partners to comply with the following requirements in addition to those listed above:
- Ensure that an adequate health and safety management system is in place.
- Be proactive in identifying, reducing, or avoiding risks to people.

Freedom of association

SHI expects partners to uphold the freedom of association and the right to collective bargaining under applicable laws.

Environment impact

SHI is committed to preserving the environment and combating climate change. We want to work with organizations that share these goals. As a minimum, we expect our partners to:

- Comply with all applicable environmental laws and regulations.
- Minimize the negative environmental impacts of their operations, products, and supply chains, including but not limited to air pollution, greenhouse gas emissions, water discharges, disposal of hazardous waste and toxic substances.
- Use resources efficiently, apply energy-efficient and environmentally friendly technologies, and reduce waste and emissions to air, water, and soil.
- In cases where partners' activities involve chemicals or other materials that pose a risk to the environment, we expect partners to comply with the following requirements in addition to those listed above:
- Ensure that an adequate environmental, health, and safety management system is in place.
- Be proactive in identifying, reducing, or avoiding risks to the environment and people.

Bribery and corruption

Anti-bribery and anti-corruption

Bribery or corruption is the giving or offering of money, goods, or other forms of reward to a recipient to induce a change in his or her behavior or decisions in the interest of the giver that the recipient would not otherwise make.

SHI does not tolerate any form of bribery or corruption. Offering or accepting bribes in any form, directly or indirectly, is strictly prohibited. Partners are expected to fully comply with applicable national and international regulations and to conduct their business in a professional, fair, and lawful manner. Partners are therefore expected to have in place procedures for strict controls and regulations to prevent bribery and corruption of any kind.

Conflict of interest

A conflict of interest may arise at any time when competing loyalties could cause to pursue a personal benefit. Partners are requested to take reasonable steps to avoid any conflict of interest, real or apparent, in connection with their cooperation with SHI. Partners shall not enter a financial or any other relationship with a SHI employee that creates any actual or potential conflict of interest for SHI or its employee.

Partners understand that a conflict of interest arises when the material personal interests of the SHI employee are inconsistent with the responsibilities of his/her position with the company. All such conflicts must be disclosed and corrected. Even the appearance of a conflict of interest can be damaging to SHI and our suppliers and are to be disclosed and approved in advance by SHI management.

Unfair business practices

Collusion

SHI competes vigorously in the sectors in which it operates, but is committed to doing so in a manner that is fair, honest, ethical, and legal. We expect all suppliers to conduct their activities in compliance with applicable antitrust and competition laws. Antitrust and competition laws are designed to promote and protect free and fair competition. These laws apply both in EU Member States and in other countries where SHI does business and apply to all relationships with competitors, customers, service providers and suppliers.

Antitrust and competition laws prohibit practices that include:

- Agreements or understandings (including informal understandings, such as oral “gentlemen’s agreements”) between competitors that restrict competition among themselves, such as price fixing, bid rigging, allocation of customers or territories, or agreements not to do business with third parties.
- Other practices, such as requiring exclusivity, overcharging, tying/bundling (tying the sale of one product to the purchase or sale of another product), or imposing non-compete obligations, where such practices have an undue effect on competition, for example, where they improperly exclude competitors or exploit other parties.

Due diligence and prevention of financial crimes

SHI is committed to the prevention of all forms of financial crime, in particular money laundering, terrorist financing, sanctions violations, trade embargoes and fraud. Our partners are expected to submit to any SHI review aimed at detecting, disrupting, and deterring them.

SHI exercises due diligence in the selection of our service providers and suppliers. Our procurement process is based on objective and traceable criteria and a documented procedure. We always want to ensure that our partners follow the same high ethical principles of conduct as we do at SHI. Therefore, our partners are required to conduct appropriate due diligence within their entire supply chain.

Partner Code of Ethics and ESG policy

April 2023

Management systems

Our partners must have rigorous monitoring and control processes in place, including functional controls with clearly assigned responsibilities that are appropriately documented. Partners are also required to implement local rules and regulations, including tax laws, to ensure compliance with the principles of this Partner Code of Ethics.

Protection of intellectual property / company assets

SHI's assets include intellectual property, business strategies, financial data, and other confidential information as well as tangible assets ("Intellectual Property and Corporate Assets"). Partners are obliged to protect and respect the intellectual property and corporate assets of SHI. Any disclosure to third parties requires the prior written consent of SHI. Required disclosures to authorities due to applicable laws or regulations shall be notified by partners to SHI in advance, to the extent permitted by law. Subcontractors are to be obligated accordingly by the partners.

Data protection and security

Partners shall provide complete and accurate information to facilitate third party due diligence conducted by SHI, and comply with applicable laws and regulations of the country or countries in which they operate.

Partners are required to handle personal data and confidential information provided by SHI during their business relationship with SHI and to protect it from unauthorized access, unlawful use, disclosure, loss, alteration, damage, and destruction.

Partners are expected to implement security controls that meet SHI's requirements to maintain and protect information received from SHI, including physical and digital assets. Partners are responsible for keeping technical and organizational measures up to date and confirming compliance on a regular basis.

Partners are required to inform SHI of any suspected or actual data breach in connection with the services provided. Third parties shall assist SHI in any investigation in the event of a data or information breach. The General Data Protection Regulation (GDPR) requires data controllers to sign a Data Processing Agreement (DPA) with all parties acting as data processors on their behalf and processing personal data at the direction of the SHI (data controller). Whether it is an email client, cloud storage service, or website analytics software, it is required to sign a data processing agreement with each of these services to ensure compliance with the GDPR.

Whistleblowing

We expect all partners to report suspicious actions or violations of this Partner Code of Ethics immediately.

Compliance with the underlying Partner Code of Ethics is of utmost importance to SHI. If there is a suspicion of non-compliance or a breach of one or more of the above points of the Partner Code of Ethics, SHI reserves the right to reassess the partner. If this suspicion is confirmed, the business partnership will be re-evaluated and potentially terminated in accordance with our contractual rights and applicable law. If the confirmed suspicion indicates a violation of fundamental human rights or laws (e.g., child labor), the business relationship will be terminated immediately and, if necessary, legal proceedings will be initiated. SHI takes firm action against such violations and does not wish to be associated with them.

If you require assistance with any matter relating to this Partner Code of Ethics, please contact: Ethics@SHI.com.