

Competence – Reliability – Openness - Humility

Supplier Principles

Creating a successful and sustainable business requires more than financial results.

Responsible behaviour is fundamental to how we do business at System Engineering Group Ltd and Hardtech HV Ltd. It is not just what we do; it is how we do it.

We are committed to achieving these high ethical standards, which underpin our role as a trusted partner to our customers, by managing operations responsibly and conducting business in an ethical way.

System Engineering Group Ltd and Hardtech HV Ltd.'s relationships with its suppliers are a critical part of this commitment.

To clarify what we expect from our suppliers and their supply chains, we have developed these Supplier Principles – Guidance for Responsible Business (hereafter referred to as Principles).

The principles outline a set of 'best practice' expectations. They are not intended to conflict with or modify the terms of any supplier contracts with System Engineering Group Ltd and Hardtech HV Ltd. If a contract requirement (and/or an applicable law or regulation) addresses the same areas as covered in these Principles, suppliers must comply with the contract (and/or legal) requirement.

Responsible behaviour is vitally important to the reputation and success of System Engineering Group Ltd and Hardtech HV Ltd.

Our suppliers are an important part of that effort.

1. What we expect from our suppliers

1.1 Code of conduct and compliance

System Engineering Group Ltd and Hardtech HV Ltd.'s code of conduct is central to our responsible business environment.

We encourage our suppliers to implement and adhere to their own similar written code of conduct. In addition, commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with applicable laws and regulations.

We encourage suppliers to do business responsibly and fairly, though when it comes to contracts, we do not allow our suppliers to just outsource our agreements where signed and dated. Think first rightful actions and request updates to ensure contractual laws are followed.

1.2.1 Justice dismantles barriers to resources and opportunities in society so that all individuals and communities can live a full and dignified life. At our company and in our group, we strive to embed justice into our work to catalyse equitable outcomes for all.

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1.2.2 Equity is critical to attracting and attaining the best results in business. We are committed to holding ourselves accountable for policies, processes, and programs that appreciate differences and create a fair, safe, and just working environment for staff.

1.2.3 Diversity in age, race, ethnicity, gender identity, sexual orientation, physical or mental ability, neurocognition, and lived experience is proven to make organizations more effective. We remove barriers to people no matter who they are and celebrate openly varied points of view and approaches to our work.

1.2.4 Inclusivity accelerates culture shifts by ensuring all voices are included in the conversation. This means we strive to build a culture where everyone feels their perspectives are valued.

1.2.5 Social value and environmental performance are key measures we abide by and we expect our suppliers and partners to recognise this concept and likewise following the same principles for our society and protecting our planet.

1.3 Anti-corruption

We expect our suppliers to comply with all relevant laws and regulations regarding anti-corruption including, where applicable, the Foreign Corrupt Practices Act and the UK Bribery Act. System Engineering Group Ltd and Hardtech HV Ltd has a zero tolerance for any corrupt activity. In particular System Engineering Group Ltd and Hardtech HV Ltd will not tolerate corrupt activity involving government officials, our commercial business partners, or the receipt of bribes or kickbacks by System Engineering Group Ltd and Hardtech HV Ltd personnel. We will not offer, give, or receive any payment, benefit or gift that may be construed as a bribe, for any business purpose whether directly or through a third party. System Engineering Group Ltd and Hardtech HV Ltd expects its suppliers to be similarly intolerant of corrupt activity and to have appropriate and adequate procedures to prevent such activity from taking place.

System Engineering Group Ltd and Hardtech HV Ltd does not pay 'facilitation' payments and will not pay for the expediting of routine government activity unless there is a formal lawful fee schedule for expedited service, and we similarly expect that our suppliers will not make such payments in connection with any System Engineering Group Ltd and Hardtech HV Ltd business.

We expect our suppliers to ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, does not violate the rules and standards of the recipient's organisation, and is consistent with all reasonable market terms and conditions.

2 It's not just what we do – it's how we do it.

2.1 International trade compliance

We expect our suppliers to conduct business in compliance with all applicable laws and regulations governing:

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Hardtech

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- export, re-export, import of products, technical data, software and services; and
- economic sanctions and embargoes

2.2 Anti-trust and competition

We expect our suppliers to conduct business in accordance with all applicable competition and anti-trust laws and regulations. We expect that our suppliers will not enter into formal or informal anti-competitive arrangements that fix prices, rig bids, limit supply, control markets, or otherwise improperly restrict or impact competition.

2.3 Conflict minerals

We expect our suppliers to conduct appropriate due diligence, where reasonably feasible, to identify, report and take remedial action, if their products contain conflict minerals (tin, tantalum, gold and tungsten, etc.) that are used to finance conflict in the Democratic Republic of Congo, adjoining countries, or other conflict-affected or high-risk areas. Where applicable local laws and regulations exist in the jurisdiction in which the supplier operates, we expect our suppliers to comply with such laws and regulations.

2.4 Counterfeit components

We expect our suppliers to develop, implement and maintain methods and processes appropriate to their products to prevent counterfeit parts and materials being delivered. Effective processes should be in place to detect, report and quarantine counterfeit parts and materials and prevent such parts re-entering the supply chain. We expect our suppliers to only use parts from Original Equipment or Component Manufacturers or their authorized sources, and to comply with applicable laws, regulations, and industry 'best practice' protocols when conducting business with System Engineering Group Ltd and Hardtech HV Ltd.

2.5 Conflicts of interest

We expect our suppliers to avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with our top clients in the UK. We understand that such actual or potential conflicts do arise in the course.

2.6 Accurate record keeping

We expect our suppliers to accurately and securely capture, store, and retain, as appropriate, business records.

2.7 Personal, confidential, and proprietary information

We expect our suppliers to protect all sensitive information, including confidential, proprietary, and protected personal information. Information should not be used for any purpose other than the business purpose for which it was provided without prior authorization. Where such information is held or transferred electronically, we expect our suppliers to implement appropriate IT cyber security and to notify us of any suspected or

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actual data breaches. We expect our suppliers to comply with applicable intellectual property rights and data privacy laws.

3. Workplace/employees

We expect our suppliers to foster an inclusive work environment where individuals are treated with dignity and respect. To that end, we expect our suppliers to comply with applicable non-discrimination laws and regulations. We also expect our suppliers to ensure that employees may perform work in an environment that is free from harassment or other abusive conduct.

We expect our suppliers to not engage in the use of forced or bonded labour, slavery or trafficking of persons. Suppliers should allow employees to freely choose to work or to leave employment. We also expect our suppliers to ensure that child labour is not used in the performance of work.

The term 'child' refers to any person under the minimum legal age for employment where the work is performed.

We expect our suppliers to comply with applicable laws and regulations on pay, benefits, working hours, health and safety, and the rights of individuals to join trade unions and participate in collective bargaining.

We expect our suppliers to provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting. We expect our suppliers to take action to prevent, detect and correct retaliatory actions.

We expect our suppliers to adopt solid and practical safety cultures fixed on positivity and inclusion. We look for transparent reporting practices and will promote and advise our partners on reasonable measures for good health and safety in the workplace.

4. Environment

We expect our suppliers to comply with applicable laws and regulations regarding the environment and to conduct their business in a manner that actively manages environmental risks. We look for regular and realistic monitoring of environmental impacts in the form of accounting for carbon, waste and pollution prevention. We encourage the use of 3rd parties to help our partners measure their impact such as the Science Based Target Initiative or similar.

5. Social governance

We expect our suppliers and partner to hold social governance as important values central to the way they conduct business as follows:

Social Factors

Labor Practices: Ensuring fair wages, safe working conditions, and no child or forced labour.

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Community Impact: Supporting local communities through fair trade practices and community development initiatives.

Diversity and Inclusion: Promoting diversity within the workforce and ensuring equal opportunities for all employees.

Governance Factors

Ethical Practices: Implementing policies to ensure ethical behaviour throughout the supply chain, including anti-corruption measures.

Transparency and Traceability: Maintaining clear records and visibility of the supply chain to ensure accountability and compliance with regulations.

Supplier Collaboration: Working closely with suppliers to embed governance practices and continuously improve operations.

6. Timely payment

We expect our suppliers to pay their suppliers on time in accordance with agreed contractual payment terms.

I confirm, on behalf of my organisation, that I have read and understood the System Engineering Group Ltd and Hardtech HV Ltd.

Supplier Principles - Guidance for Responsible Business and confirm that my organisation agrees to operate in line with its requirements.

Signed by the company representative or nominated significant partner

Company name:

Name:

Job title: XXXX

Sign: XXXX

Date: XXXX

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