

CANDELA

Supplier Code of Conduct



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1. Introduction to our Code of Conduct

Candela was founded with the ambition to rethink waterborne transportation. Candela's purpose is to speed up the transition to fossil fuel-free lakes and oceans by building electric hydrofoil vessels that make waterborne transport cleaner, quieter and more efficient.

At Candela, innovation and responsibility belong together. Candela expects its suppliers and business partners to act responsibly, with integrity and respect for people, the environment, safety and quality.

This Supplier Code of Conduct (the **"Code"**) is of utmost importance to Candela's corporate governance strategy and sets out Candela's general expectations. Further information and more detailed commercial, technical, quality, and operational requirements may be set out in the applicable agreement, purchase order terms and conditions, supplier handbook, or other agreed documentation.



2. Who this code **applies** to

This Code applies to all suppliers, contractors and sub-contractors of goods and services (herein after referred to collectively as “**Suppliers**”). Each Supplier is expected to comply with this Code where it is made binding on the Supplier, whether under a separate supply agreement, purchase order terms and conditions or a separate undertaking to comply with this Code.

Candela’s supplier handbook applies to such Suppliers and supply categories as set out therein, or as otherwise agreed or communicated by Candela in connection with the relevant supply relationship. The supplier handbook is intended to supplement this Code by setting out more detailed operational and quality-related requirements for relevant Suppliers.



3. General **requirements**

Suppliers must comply with all applicable laws and regulations. Where this Code sets a higher standard than applicable law, the higher standard must be followed unless doing so would violate applicable law.

Suppliers must conduct business responsibly and have appropriate policies, procedures and controls to manage relevant risks in their operations and supply chains. These should be proportionate to the Supplier’s size, activities, risk profile and role in Candela’s supply chain.

Suppliers must ensure that employees, representatives, agents, subcontractors and sub-suppliers involved in work connected to Candela understand and follow standards consistent with this Code.

Suppliers must provide accurate information to Candela when reasonably requested for supplier screening, due diligence, audits, corrective actions and performance monitoring, and must promptly notify Candela of material changes to previously provided information.

4. Human **rights** and labour conditions

Suppliers must respect internationally recognised human rights and treat all workers with dignity and respect.

Suppliers must not use, support or benefit from forced labour, bonded labour, prison labour, human trafficking, modern slavery or any other form of involuntary labour. Work must be voluntary. Workers must be free to leave their employment in accordance with applicable law and contract terms, and Suppliers must not withhold workers' identity documents unless required by law.

Child labour is prohibited. Suppliers must only employ workers who meet the highest of the applicable minimum legal working age, the age for completion of compulsory education, or 15 years of age. Workers under 18 must not perform work that may jeopardise their health, safety, education or development.

Suppliers must provide workers with clear employment terms in a language they understand. Wages, benefits, working hours, overtime, rest periods, breaks and leave must comply with applicable law and collective agreements. Wages must be paid accurately, regularly and on time.

Suppliers must respect workers' rights to freely associate, organise and bargain collectively in accordance with applicable law. Workers must be able to raise concerns about working conditions without fear of retaliation.

Suppliers must not discriminate in employment and must provide a workplace free from harassment, threats, intimidation, bullying, abuse and other inhumane treatment.



5. Health and safety

Suppliers must provide a safe and healthy working environment and comply with applicable health and safety laws, permits and requirements.

Suppliers must identify, assess and control workplace hazards, provide appropriate health and safety information, training, supervision and protective equipment, and maintain procedures for accident prevention, emergency preparedness, fire safety, first aid, incident reporting and corrective actions.

Accidents, near misses and occupational illnesses must be recorded, investigated and addressed. Suppliers must take corrective action to prevent recurrence.

Workers must have the right to report unsafe or unhealthy conditions without retaliation and to refuse unsafe work where there is a reasonable belief that the work presents an imminent and serious risk to health or safety.

Where Suppliers perform work at Candela sites or on Candela vessels, Suppliers must comply with Candela's site rules, safety instructions, access requirements and other applicable operational instructions.



6. Environment and responsible sourcing

Suppliers must comply with applicable environmental laws, permits and reporting requirements, and must maintain appropriate environmental policies, procedures and controls proportionate to their operations and environmental impact.

Suppliers whose operations, products or services have significant environmental impact are expected to have an environmental management system consistent with ISO 14001, EMAS or equivalent standards.

Suppliers should work to reduce greenhouse gas emissions, improve energy efficiency, reduce reliance on fossil fuels, use resources efficiently, reduce waste and support reuse, recycling and circularity where relevant.

Suppliers must manage emissions, waste, chemicals and hazardous substances safely, responsibly and in compliance with applicable law. Products, materials, components and packaging supplied to Candela must comply with applicable substance restrictions and product compliance requirements, including REACH, RoHS and other applicable legal or contractual requirements.

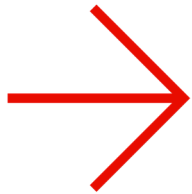
Upon request, Suppliers must provide relevant environmental, climate, product compliance and material data connected to goods or services supplied to Candela, including safety data sheets, declarations of conformity, material declarations and information needed for sustainability reporting.

Suppliers must source materials, components and services responsibly and conduct risk-based due diligence in their own supply chains. This includes risks relating to human rights, labour conditions, health and safety, environmental impact, corruption, sanctions, conflict minerals, critical materials and supply chain transparency.

Suppliers must exercise due diligence on relevant minerals and materials, including tin, tantalum, tungsten and gold, and any other materials identified by Candela due to risk, product relevance or regulatory requirements.



7. Business integrity



Suppliers must conduct business with honesty, care and professionalism. Candela does not tolerate corruption, bribery, fraud, money laundering, tax evasion, sanctions violations, conflicts of interest or other unethical business conduct.

Suppliers must not offer, promise, give, request, accept or receive any bribe, kickback, facilitation payment or other improper advantage, whether directly or indirectly and whether involving public officials or private parties.

Gifts, hospitality, meals, travel and entertainment must be lawful, modest, transparent and appropriate, and must never influence, or appear to influence, business judgement.

Suppliers must avoid conflicts of interest and promptly disclose any actual or potential conflict of interest involving Candela.

Suppliers must comply with applicable competition, trade compliance, export control, import control, customs, sanctions and embargo laws.

Suppliers must take reasonable steps to prevent counterfeit, fraudulent or unauthorised parts, components, materials or products from entering Candela's supply chain and must notify Candela without undue delay if any such items are identified or suspected.



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8. Product **quality** and compliance

Suppliers must provide goods and services that meet applicable laws, standards, technical specifications, contractual requirements and Candela quality requirements.

Suppliers are expected to maintain appropriate quality management systems, controls and records, proportionate to the goods or services supplied and the associated quality, safety and compliance risks. Where relevant, Suppliers are expected to have a quality management system consistent with ISO 9001 or equivalent standards.

Products, components, materials, tools, software, services and documentation supplied to Candela must be fit for purpose and must not create unmanaged safety, quality, regulatory or operational risks.

Suppliers must promptly notify Candela of any defect, non-conformity, safety issue, product compliance issue or other matter that may materially affect quality, safety, compliance, delivery or Candela's products.

Detailed requirements regarding quality assurance, technical documentation, inspections, traceability, packaging, logistics, change management, non-conforming products and corrective actions may be set out in the applicable agreement, supplier handbook, purchase order or other agreed documentation.



9. Reporting, monitoring and consequences

Suppliers must promptly report actual or suspected breaches of this Code, applicable law or contractual requirements connected to Candela business. Reports may be made to the Supplier's Candela contact person or through any other reporting channel made available by Candela.

Suppliers must not retaliate against any person who raises a concern in good faith or participates in an investigation.

Candela may request information, documentation or other reasonable evidence to assess compliance with this Code. Candela may also conduct supplier reviews or audits in accordance with applicable agreements and with reasonable notice.

If non-compliance is identified, Candela may require the Supplier to prepare and implement a corrective action plan within a reasonable timeframe.

Candela's preferred approach is to work with Suppliers to improve performance where reasonable and appropriate. However, serious, repeated or unremedied breaches may result in consequences under the applicable agreement, including suspension of new business or termination of the business relationship.

This Code does not replace any applicable law, contract, purchase order, supplier handbook, technical specification or other agreed requirement. Where a contract or other agreed document contains more specific or stricter requirements, the Supplier must comply with those requirements.

Any supplier handbook, technical specification, drawing, quality instruction or other supplier documentation provided by Candela shall be treated as confidential unless Candela has expressly stated otherwise.



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