

# Supplier Code of Conduct

ACCOUNTABLE EXECUTIVE	Head of Risk and Compliance		
LEAD AUTHOR(S)	O. Johnson	CONTRIBUTOR(S)	J. Parrish   C. Mann
DATE OF LAST CHANGE	23 June 2022	VERSION   STATUS	V 0.3   FINAL

## Introduction

We are committed to managing our business in a responsible, safe and sustainable manner, whereby the safety and wellbeing of people, their environment and livelihoods, and sound corporate governance and transparent accounting practices are prioritised. We require our suppliers to meet or exceed the same standards and ensure that their own suppliers do the same.

This Supplier Code of Conduct (“the Code”) sets out certain standards that our suppliers are required to adopt in relation to managing their business operations, including their supply chain. At minimum, this entails compliance with all local laws and regulations. Any breach of the obligations stipulated in the Code will be considered a material breach of contract by that supplier.

## Scope of the Code

This Code applies to all suppliers and their supply chain (hereafter “Supplier” or “Suppliers”) to Climate Asset Management and the vehicles of the investment strategies it advises, including:

- ▶ Suppliers of goods;
- ▶ Suppliers of professional services such as technical or legal advisory services; and
- ▶ Project counterparties, including implementing partners and developers, and their sub-contractors.

Each Supplier, whether a person or company, is required to understand, implement, comply with and enforce this Code and the applicable laws that govern its activities. Where there is no conflict with this Code or applicable laws, Suppliers may adopt additional policies to meet local regulatory, lender, co-investor, client or other stakeholder requirements. In the event there is a conflict between this Code and applicable laws, decisions will be deferred to Climate Asset Management’s Chief Risk and Compliance Officer and Chief Legal Officer.

## Ethical Conduct

Climate Asset Management requires its Suppliers and their supply chain to adhere to the highest standards of ethical conduct, honesty and integrity. In doing so, each Supplier will perform its services and ensure any permitted

subcontracted services will be performed with due care and diligence and in good faith in the best interests of Climate Asset Management and its applicable fund entities.

### **Financial Crime, including Fraud, Bribery and Corruption, AML, Sanctions**

Each Supplier shall, and shall ensure that its supply chain providing services to Climate Asset Management, adopt a zero-tolerance policy to all forms of financial crime including fraud, bribery, corruption, sanctions, money laundering, financing terrorism, and any other misconduct. Requirements include:

- ▶ comply with all applicable anti-bribery and anti-corruption laws, including but not limited to:
  - a) The U.S. Foreign Corrupt Practices Act (“FCPA)
  - b) The UK Bribery Act 2010 (“UKBA)
- ▶ comply with all applicable anti-money laundering and counter-terrorism financing laws and anti-fraud laws of the countries in which they operate;
- ▶ comply with all sanctions requirements issued by the UN Security Council and the governments of the UK, US, EU, in addition to any additional locally applicable requirements;
- ▶ comply with international and locally applicable trade laws;
- ▶ comply with all applicable taxation requirements, including avoidance of facilitation of a tax evasion offence by an associated person;
- ▶ not seek to obtain a business advantage through bribery, improper payments or any other illegal method. Report any possible dishonest or fraudulent behaviour by its staff, its own suppliers and/or clients;
- ▶ thoroughly investigate any alleged fraud, bribery or corruption and, if warranted, take and implement appropriate disciplinary action against the relevant entity, employee or associate. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation;
- ▶ notify Climate Asset Management in sufficient detail immediately of any possible and/or actual occurrences of any of the above; and
- ▶ keep accurate up-to-date records of all of the above.

### **Business Integrity**

Suppliers shall give honest and accurate information in all communications and not knowingly make false statements or mislead directly or indirectly by action of omission in all communications. Each Supplier shall, and shall ensure that their supply chain, complies with all applicable laws, regulations and professional standards.

### **Procurement**

Each Supplier shall ensure that it obtains appropriate works, supplies and services fit for the stated purpose, at the appropriate time, place and cost in a manner which balances the overall requirement for value for money, including with delivering the desired outcomes, fairness, transparency, integrity and accountability.

### **Information Governance and Confidentiality**

Each Supplier shall ensure that information pertaining to Climate Asset Management, its investment strategies and investments is appropriately protected and used, including but not limited to:

- ▶ not disclose, or permit to be disclosed any confidential information relating to Climate Asset Management, its investments, employees, clients and operations received during their engagement unless consent is obtained from Climate Asset Management or is required by law;
- ▶ ensure compliance with all applicable laws and directives providing for the protection, transfer, access and storage of personal data or information;
- ▶ in the event of a conflict of interest arising or likely to arise, for example where a person with a relationship with Climate Asset Management also has an interest in or connection to the Supplier's business, this must be disclosed by the Supplier to Climate Asset Management and the Conflicts of Interest policy followed;
- ▶ not use confidential information for other purposes than those for which the Supplier has been engaged, or for personal gain, including for the gain of family and friends;
- ▶ only access confidential information for authorised and necessary work purposes in relation to the purpose for which the Supplier has been engaged and in accordance with contractual confidentiality obligations;
- ▶ respect the privacy of others and comply with the relevant privacy legislation as required by applicable law; and
- ▶ do everything reasonably within its power to protect the confidentiality of information obtained, including proper storage and protection of information.

## **Labour and Human Rights**

Suppliers and their supply chain are expected to treat their workers with dignity and respect and to uphold the highest standards of human rights. Climate Asset Management adheres to the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organisation's Fundamental Conventions. We require our Suppliers to fully comply with these standards as well as their primary supply chain, including third-party employment agencies.

## **Equality, Harassment and Discrimination**

Suppliers must promote equal opportunities for workers irrespective of gender, marital status, race, religion, ethnicity, age, sexual orientation, political affiliation, union membership or personal disability or any other protected characteristic and shall not discriminate on any such basis. Suppliers shall commit to a workplace free of harassment and abuse, including free of harsh and inhumane treatment, including but not limited to, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuses of workers and with no threats of such treatment. Disciplinary procedures relating to infractions of these requirements should be clearly defined and communicated to workers.

## **Child Labour**

Suppliers must not employ children below the minimum age and neither shall their supply chain. The "minimum age" is the higher of (i) 15 years of age or (ii) the minimum age of employment permitted by the law of the country where the employment takes place or (iii) the age established for completing compulsory education in that country. Any worker under the age of 18 must not undertake hazardous work.

## **Modern Slavery, Forced Labour and Human Trafficking**

Suppliers must not engage in nor support any practices relating to slavery, forced or compulsory labour or human trafficking. All workers must be free to leave their employment by providing reasonable notice and all overtime must be voluntary. Under no circumstances shall a Supplier:

(i) confiscate or withhold worker identity documents, work permits or any other valuable documents or items or (ii) impose financial or other penalties on workers (including deposits or security payments) triggered by them joining or leaving employment. Written contracts of employment must be provided to migrant workers in a language that they understand, clearly indicating their wage, working hours and other working and employment conditions. Workers should be fairly and reasonably paid in line with applicable wage laws, at least equivalent to minimum wages, overtime hours and legally mandated benefits. Workers should be paid in a timely manner and Suppliers shall not use wage deductions as a disciplinary measure.

## **Freedom of Association**

Subject to any local laws that may apply, Suppliers must allow workers to join (or refrain from joining) organisations of their choice (such as trade unions and worker councils) and to bargain collectively, without interference, discrimination, retaliation or harassment. Suppliers must ensure that workers have a mechanism to report grievances confidentially and a process for effective remedy. Where workers' representation and collective bargaining are restricted by law, Suppliers should facilitate open communication and direct engagement between workers and management to ensure that worker's rights, needs and views can be considered and acted upon.

## **Health and Safety**

All workers must be provided with safe and hygienic working conditions (including appropriate protective clothing and equipment) and appropriate steps should be taken to prevent accidents and injury to health. All Suppliers must control hazards and take precautionary measures against accidents and occupational diseases via hazard identification process. They must also provide documented training and ensure that employees are educated in health and safety issues.

## **Communities**

Suppliers and their supply chain may interact directly with investment-affected communities as part of the services they perform for Climate Asset Management and the vehicles of the investment strategies it advises. In doing so, and in addition to ethical conduct expectations, appropriate safeguards will be implemented by the Supplier to ensure the health, safety and security of affected communities in relation to the services being performed. This may include, but not be limited to:

- ▶ assessing the risks and impacts from the activities being undertaken for affected communities and implementing appropriate safeguards;
- ▶ ensuring that information about the activities being undertaken is clearly communicated in a language and form that is understandable and appropriate to the local context;
- ▶ undertake stakeholder engagement activities appropriate to the nature of the activities being performed; where indigenous peoples are present following the principles of Free, Prior and Informed Consent; and
- ▶ establishing a grievance mechanism to receive and respond to concerns or questions.

## **Environment & Climate**

Suppliers and their supply chains must comply with or exceed all relevant local environmental laws and regulations and use best efforts to meet industry best practices and standards. Appropriate processes should be in place to manage environmental risks and minimise the release of harmful emissions or wastes into the environment. Suppliers shall have in place or develop a sustainable environmental policy, which outlines their commitment to minimising the environmental impact of their operations. The Policy shall address material environmental risks in their business operations and the management of these, such as:

- ▶ communicating environmental responsibilities to all staff and providing training on new areas of best practice and its implementation;
- ▶ management of climate change physical risks and greenhouse gas emissions consistent with International Agreements and targets;
- ▶ assessment of biodiversity related risks from business operations and application of the mitigation hierarchy assuring no significant harm and working towards net positive impacts;
- ▶ incorporating specific environmental requirements into new contracts with their own suppliers;
- ▶ process for managing business waste aligned with waste management hierarchy;
- ▶ sourcing supplies and materials required for the performance of services, or the supply of products, from sustainable and ethical sources; and
- ▶ reporting internally on environmental practices.

## **Supplier Commitment**

By engaging or continuing to engage with Climate Asset Management, you will be deemed to have acknowledged and accepted the Supplier Code of Conduct, as may be amended from time to time.

Climate Asset Management requires all its Suppliers and their supply chain not only to comply with this Code but also to monitor (on an ongoing basis) their performance against the standards set out in this Code. From time to time, Climate Asset Management may request a Supplier to provide evidence to demonstrate such compliance, and Climate Asset Management may audit the Supplier and its supply chain to ensure compliance.

In the event of:

- ▶ a violation of this Code by a Supplier or its supply chain; or
- ▶ any adverse finding (including any conviction) against a Supplier or its supply chain (or any of their staff) by any governmental, judicial or administrative authority in connection with the breach of any local laws or regulations relating to the matters addressed in this Code;

the Supplier must immediately provide written notice to Climate Asset Management of any such development in sufficient detail.

In the event that anyone has questions or concerns relating to the conduct of Climate Asset Management, its people or its Suppliers or supply chain, information can be submitted to:

- ▶ Email: [contact@climateassetmanagement.com](mailto:contact@climateassetmanagement.com)
- ▶ Telephone: +44 (0) 204 551 1160
- ▶ Postal Address: Hill House, 1 Little New Street, London, EC4A 3TR, United Kingdom

*Signed by a duly authorized representative of the Project Partner:*

.....

*For and on behalf of: [\_\_\_\_\_]*

*Name of signatory:*

*Title/Position:*

*Date:*

*Signature of Witness:*

.....

*Name of Witness:*

*Title/Position of Witness:*

*Date:*