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REVISION HISTORY

REVISION LEVEL/DATE	DESCRIPTION
Rev. 0- 02/10/2023	

Purpose and Scope

Workhorse Group Inc. and all of its subsidiaries (collectively, the “**Company**”) place a high value on corporate integrity and accountability, and expects all of its manufacturers, distributors, vendors, and other suppliers (each a “**Supplier**” and collectively “**Suppliers**”) to uphold the same values. Responsible product sourcing and the safety and wellbeing of workers across the global supply chain are of paramount importance to the Company. Suppliers risk tarnishing the reputation of the Company when they fail to meet these standards, and the Company could be penalized when global Suppliers do not comply with US and international regulations regarding the treatment of workers and environmental standards.

This Vendor and Supply Chain Management Policy (“**Policy**”) reflects these principles and establishes the minimum standards that must be met by any Supplier that sells goods to or does business with the Company. This Policy specifically outlines the Company’s standards with regard to the following matters:

- Supplier’s treatment of workers and workers compensation;
- workplace safety;
- the impact of Supplier’s activities on the environment; and
- Supplier’s ethical business practices.


Applicability

This Policy applies to all Suppliers that provide goods to the Company. Supplier is responsible for compliance with the standards set out in this Policy (“**Standards**”) throughout its operations and throughout its entire supply chain.

Without limiting Supplier’s obligations hereunder, Supplier shall comply with the Standards in:

- all of its Facilities; and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labor, immigration, health, worker safety, and the environment.

Without limiting Supplier’s obligations hereunder, Supplier is responsible for compliance with the Standards by all of its suppliers, vendors, agents, and subcontractors and their respective Facilities (“**Partner(s)**”).

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Supplier shall disclose to the Company the names and contact information of its Partners upon request. Supplier shall notify the Company with the names and contact information of any new or former partners involved in the production of products for the Company within 14 days of adding, changing, or eliminating any Partners.

Slavery and Human Trafficking

All labor must be voluntary. Supplier shall not support or engage in slavery or human trafficking in any part of its supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labor;
- labor to be performed by individuals under the age of 18;
- bonded labor;
- indentured labor; and
- prison labor.

Compliance and Documentation

Supplier shall:


- Implement and maintain a reliable system to verify the eligibility of all workers, including:
 - age eligibility; and
 - legal status of foreign workers.
- Implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.

Hazardous Work

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any hazardous labor to be performed by any person under the age of 18. Hazardous labor involves any work, that by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker or coworkers if adequate protections are not taken.

Identification Papers

Without limiting Supplier's obligations hereunder, Supplier shall not require any worker to surrender control over original:

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- identification papers or documents giving a foreign worker the right to work in the country;
- identification papers or documents, such as a passport, giving a foreign worker the right to enter or leave the country; or
- documents, such as a birth certificate, evidencing the worker's age.

Financial Obligations

Without limiting Supplier's obligations hereunder, Supplier shall not, whether or not as a condition to the right to work, require any worker (or worker's spouse or family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt;
- make financial guarantees; or
- incur any other financial obligation.

Freedom of Movement

Without limiting Supplier's obligations hereunder, Supplier shall ensure that workers have the right to freedom of movement without:

- delay or hindrance; or
- the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.


Worker freedom of movement rights include each worker's right to leave the Facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

Freedom to Terminate Employment

Without limiting Supplier's obligations hereunder, Supplier shall allow workers to terminate their employment or work arrangement:

- without restriction; and
- without the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

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Uyghur Forced Labor Prevention Act

The Uyghur Forced Labor Prevention Act (the “UFLPA”) creates a rebuttable presumption that all goods mined, produced, or manufactured wholly or in part in China’s Xinjiang Uyghur Autonomous Region are made with forced labor and empowers US Customs and Border Protection (the “CBP”) to prohibit such goods from entry into the United States. Products found in violation of the UFLPA are subject to seizure, forfeiture, and other action and companies found in violation of the UFLPA are subject to penalties. Therefore, Suppliers are prohibited from sourcing any materials or producing goods or working with any Partners who source any materials or produce goods, within the Xinjian Uyghur Autonomous Region. Suppliers are responsible for ensuring that its Partners are not UFLPA Known Importers.

Countering America’s Adversaries Through Sanctions Act

Under the Countering America’s Adversaries Through Sanctions Act (“CAATSA”), the importation of any significant goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part by the labor of North Korean nationals or citizens, **wherever located**, is prohibited. CBP will deny entry of goods into the US unless it finds that such goods were not produced with convict, forced, or indentured labor, and may levy penalties to companies who attempt to import such goods. Suppliers must ensure that any goods or materials produced by them or their Partners are not produced by North Korean nationals or citizens, whether imported through North Korea or any allied nation, such as China.


Compensation and Benefits

Supplier must compensate all workers with wages, including overtime premiums, and benefits that at a minimum meet the higher of:

- the minimum wage and benefits established by applicable law;
- collective agreements;
- industry standards; and
- an amount sufficient to cover basic living requirements.

Supplier shall make wage payments at least biweekly/weekly per Supplier’s usual practice and provide benefits on a timely basis.

Supplier’s obligation to compensate and provide benefits applies to all workers at all times, including during periods of training, apprenticeship, and probation.

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Documentation

Supplier shall:

- provide proof of payment to workers in the workers' native language showing hours worked, wage amounts and rates (regular, overtime, and bonus), and deductions;
- ensure that proof of payment is accurate, is clearly calculated, and enables workers to quickly verify the amount of payment and method of calculation; and
- maintain proper documentation of wage payments for their internal records.

Deductions

Supplier shall not make any deductions from wages, except income tax withholding and those that are legally allowed.

Work Hours

Regular Work Hours

- Supplier shall observe all laws and regulations regarding regular work hours in the countries where Supplier has employees.

Overtime Work Hours

- Supplier shall observe all laws and regulations regarding overtime work hours in the countries where Supplier has employees.


Rest and Lunch Breaks

- Supplier shall observe all laws and regulations regarding rest and lunch breaks in the countries where Supplier has employees.

Documentation

Supplier shall:

- use an industry-accepted time-keeping system to track worker work hours; and
- develop work-hour policies to ensure compliance with this Policy and applicable law.

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No Discrimination, Abuse, or Harassment

Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, color, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Supplier shall treat workers with respect and dignity.

Supplier shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Supplier must not condone or tolerate such behavior by its Partners.

Health and Safety

Supplier shall provide a safe, healthy, and sanitary working environment. Supplier shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, which are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

Facilities

Supplier shall:

- ensure that all Facilities meet all applicable building codes and industry design and construction standards;
- obtain and maintain all construction approvals required by law;
- obtain and maintain all zoning and use permits required by law;
- without limiting Supplier's obligations hereunder, ensure that all Facilities have:
 - an adequate evacuation plan;



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- adequate, well-lit (including emergency lighting), clearly marked, and unobstructed emergency exit routes, including exit doors, aisles, and fire-rated enclosed stairwells;
- a sufficient number of emergency exit doors, which are located on all sides of each building, are unlocked (from the inside), and are readily opened from the occupied side and swing in the direction of emergency travel;
- visible and accurate evacuation maps posted in the local language, and including a “you are here” mark;
- adequate ventilation and air circulation;
- adequate lighting;
- adequate first aid kits and stations;
- adequate fire safety, prevention, alarm, and suppression systems;
- adequate access to potable water; and
- adequate access to private toilet facilities.
- post safety rules, inspection results, incident reports, and permits, in each case, as required by law.


If Supplier provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the Health and Safety section of this Code of Conduct. Without limiting Supplier’s obligations hereunder, Supplier shall obtain and maintain all food preparation permits, and health certificates required by law.

Freedom of Association and Collective Bargaining

Supplier shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

Without limiting Supplier’s obligations set out above, Supplier shall not:

- take any action to prevent or suppress the workers’ exercise of freedom of association or collective bargaining rights.
- discriminate or retaliate against, or discipline or punish, any worker who supports or exercises freedom of association or collective bargaining rights.
- discriminate or retaliate against, or discipline or punish, any worker who raises collective bargaining compliance issues; or
- discriminate or retaliate against, or discipline or punish, any worker based on union membership or the worker’s decision to join or not join a union.

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Environmental Protection

Operation of Supplier's Facilities

Supplier shall operate its Facilities in compliance with all environmental laws, including laws and international treaties relating to:

- waste disposal;
- emissions;
- discharges; and
- hazardous and toxic material handling.

Inputs and Components

Supplier must ensure that the goods that it manufactures (including the inputs and components that it incorporates into its goods) comply with all environmental laws and treaties. Supplier must ensure that it will only use packaging materials that comply with all environmental laws and treaties.

Gifts and Entertainment

Supplier must maintain the highest ethical standards. Supplier must not offer cash, favors, gifts, or entertainment to the Company's team members. Supplier shall also comply with the Company's Foreign Corrupt Practices Act (FCPA) policy.

Report Violations


Supplier shall self-report any violations of this Policy. Supplier can also submit questions and comments regarding the Policy, to the Company's General Counsel.

Supplier shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior, or who has sought advice regarding this Policy.

Compliance with Laws

Supplier shall comply with all applicable national and local laws and regulations, including laws and regulations relating to all the Standards. Where this Policy requires Supplier to meet a higher standard than set out by law or regulation, Supplier shall meet such higher standards. Supplier acknowledges that these Standards set out audit standards that the Company may use to determine whether Supplier is meeting the requirements set out in this Policy.

Supplier acknowledges that the Company may in its discretion conduct inspections of the Facilities to confirm Supplier's compliance with this Code of Conduct. The Company has no obligation to conduct inspections.

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Termination

The Company may immediately terminate its business relationship (including any purchase order(s) and purchase contracts) with Supplier if Supplier or its Partners fail to meet the Standards.