



# AVCT Principles of Conduct for Suppliers

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## INTRODUCTION:

American Virtual Cloud Technologies, Inc. (AVCT) is aware of its corporate responsibility towards the people, communities, and environment wherein our suppliers and the Company conducts our business. We support a sustainable conduct policy, and our people and suppliers conduct are a crucial part of that policy. Our suppliers' behavior is part of our organizational conduct policy and is governed by our business integrity policy and our company ethics standards. We are committed to operating with the highest standard of Integrity and Ethics and emphasizing corporate citizenship and sustainability. AVCT requires Suppliers to adhere to the following Principles of Conduct for Suppliers and the AVCT Human Rights Policy or an equivalent set of principles.

### 1. SUSTAINABLE BUSINESS PRACTICES

At AVCT, Suppliers are the companies and individuals that manufacture, trade, or deliver services to the Company or our clients through consulting outsourced services or distribution of products. The suppliers' code of conduct sets out the guidelines for these business partners so that all interactions can be monitored and reviewed for improvement. Suppliers are expected to apply a continuous improvement approach to enhancing economic, social, and environmental conditions. Suppliers should do this through innovative products and services, eliminating wasteful practices, being more energy-efficient, reducing total cost of ownership, reducing greenhouse gas emissions, using more sustainable packaging, cutting back on water use, and creating recycling alternatives. Suppliers must seek means to reduce the environmental impact of products and services they deploy. These efforts include reducing or eliminating the use of hazardous substances in products we use and purchase.

### 2. ENVIRONMENTAL, HEALTH, AND SAFETY

AVCT expects Suppliers to apply robust environmental sustainability and believes that a prosperous future for our business and the customers we serve depends on the sustainability of the environment, communities, and economies in which we operate. Our Suppliers should bear a responsibility to consider the impacts of their actions and how they affect the climate both directly in terms of their operations and indirectly through purchasing decisions, products and services offered to customers, and the business opportunities they pursue.

We are committed to minimizing our operations' impact on the environment and demonstrating leadership by integrating environmental considerations into all our business practices and our suppliers' practices. Suppliers should do the following:

- protect the environment, prevent pollution and demonstrate responsible management of our operations
- give appropriate weight to this environmental policy when making future planning and investment decisions
- design products which reduce the adverse environmental impact in production, use, and disposal
- minimize resource consumption, waste, and pollution in our operations

Providing safe working conditions and maintaining employment continuity is of continual concern for our Company and an expectation of our Suppliers. In this regard, it is essential that Suppliers have adequate policies and procedures developed to ensure safe, efficient operating conditions, thereby safeguarding employees and facilities. We expect suppliers to conduct their business in full compliance with environmental laws and statutes regarding handling hazardous material, air emissions, waste products, and wastewater discharge. Areas of focus include the transportation, storage, disposal, and release of these waste products and materials into the environment. Suppliers should not knowingly permit unsafe conditions to exist nor help employees to indulge in dangerous acts. Suppliers' violations of AVCT's health and safety rules and regulations may result in termination of the partnership. AVCT believes that employees' safety and physical

property can best be ensured by Suppliers adhering to applicable standards, laws, rules, and regulations. Suppliers should provide appropriate health and safety information and training to their employees. We expect suppliers to mitigate the impact of emergency events by proactively using business continuity and disaster response plans.

### **3. SUPPLIER DIVERSITY**

AVCT is committed to Supplier Diversity. We expect Suppliers to comply with the requirements of AVCT's Supplier Diversity programs. Our suppliers must meet business size criteria as established by the Small Business Administration and include enterprises representing the following categories:

- Women-owned businesses
- Veteran-owned businesses
- Service-disabled veteran-owned businesses
- LGBT-owned businesses
- Disadvantaged businesses
- Historically Underutilized Business Zone (HUBZone) businesses
- Minority-owned and other small businesses

Suppliers are evaluated on several criteria, including price, quality, customer service, delivery, and other business requirements.

Categories of goods and services we purchase include but are not limited to:

- Professional Services (e.g., temporary staffing, legal, coaching)
- Telecommunication Equipment (e.g., routers, private switches, optical transports, and VOIP Switches)
- Office Services (e.g., flowers, gifts, catering, meetings and events)
- Marketing (e.g., creative, photo/video, promotional services)

Suppliers are expected to meet specific diversity spending goals, share annual plans and quarterly reports documenting the achievement of supplier diversity goals and include Minority Women, Disabled Veteran, and Lesbian, Gay, Bisexual and Transgender-owned businesses in the production of products and services that we purchase.

### **4. CODE OF ETHICS**

AVCT requires suppliers to conduct their business honestly and ethically wherever we operate in partnership across the world. We expect our suppliers to continually improve the quality of our services, products, and operations. The supplier should create a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. The supplier should avoid illegal or unethical conduct when coordinating with officers, directors, employees, or affiliates. Suppliers should not compromise AVCT's principles for short-term advantage. The ethical performance of AVCT is the sum of the ethics of the men and women who provide services within its value chain. Thus, we expect all suppliers to adhere to high standards of integrity.

Officers, directors, and employees of the Company must never permit their personal interests to conflict or appear to conflict with the interests of the supplier, its clients, or affiliates. Officers, directors, and employees must avoid representing suppliers in any transaction outside business affiliation or relationship. Officers, directors, and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the suppliers, its clients, or affiliates.

No bribes, kickbacks, or other similar remuneration or consideration shall be given to any person or organization within AVCT to attract or influence business activity. Officers, directors, and employees shall avoid gifts, gratuities, fees, bonuses, or excessive entertainment, to attract or influence supplier activity. Suppliers may not engage in illegal activities including, but not limited to, money laundering, acts related to terrorism or conduct business with parties or persons upon whom the U.S. Government has imposed sanctions. Suppliers are prohibited from contacting legislators, federal or state regulatory officials, including their staff or making political contributions on behalf of AVCT. Suppliers may not contact any foreign government agency or official on behalf of AVCT without the express prior written consent from our Chief Administrative Officer. We prohibit the use, possession, distribution, or sale of illegal drugs or alcohol on our premises and in vehicles while AVCT business is conducted.

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## **5. STANDARD BUSINESS PRACTICES**

AVCT recognizes the fundamental importance of independent and democratic groups of workers who choose to form trade unions to achieve employment sustainability and improve the standard of work. AVCT possesses an open and positive attitude toward collective bargaining environments which are an essential element of a mature employment ecosystem. We expect suppliers and vendors to respect their employees' legal rights to join or not join such an organization. Suppliers should use good employee communication to promote the right to freedom of association and collective bargaining.

## **6. CONFLICT MINERALS**

The U.S. legislation defines conflict minerals as the metals tantalum, tin, tungsten, and gold which are the extracts of minerals cassiterite columbite-tantalite and wolframite, respectively. AVCT expects its suppliers to avoid participating in activities that support human rights violations and illegal and unethical sourcing actions related to under-resourced regions. We expect the products that we purchase from Suppliers and manufacturers will not contain conflict minerals that directly or indirectly finance or benefit armed or under-resourced groups. We reserve the right to suspend or terminate the partnerships with Suppliers who fail to meet these expectations.

## **7. LABOR PRACTICES**

In consideration of an agreement with an individual to pay money for performing services as an employee of a supplier, AVCT does not permit its suppliers to use involuntary labor, including child labor, prison labor, debt bondage, indentured or forced labor. No person employed by a Supplier may be paid below the minimum legal wage for employment. Suppliers must comply with all applicable work, wage, and hourly laws and regulations, including but not limited to those related to minimum wage, overtime, piece rates, contractor rates, and other types of compensation and legally mandated benefits. The suppliers and vendors must ensure their employees understand the terms and conditions of employment.

## **8. HUMAN RIGHTS**

AVCT is committed to providing a working environment free of discrimination and/or harassment. We expect our Suppliers to treat all employees with the respect and dignity represented by our values. Suppliers are prohibited from discriminating or harassing individuals in the workplace, whether committed by or against managers, colleagues, customers, suppliers, or visitors. We expect our Suppliers to foster a working environment where employees work and grow in a healthy, respectful, and productive manner. AVCT prohibits suppliers' use of corporal punishment, threats of violence, physical abuse, or other forms of physical coercion, harassment, or intimidation.

AVCT will not tolerate discrimination or harassment in the workplace based on race, ethnicity, religion, sex, national origin, citizenship, age, sexual orientation, disability, marital status, or any other basis prohibited by law. The Company prohibits inappropriate conduct based on any of the above characteristics in the workplace or any offsite location where AVCT business is conducted.

## **9. CIRCULAR ECONOMY**

AVCT expects Suppliers to champion the systemic approach to the economic development of a circular economy. Suppliers must support eliminating waste (refuse) and identify ways to reform, reduce, reuse, and recycle goods. These activities include reducing the total cost of ownership for products and services by minimizing the materials used to develop products and packaging.

## **10. CONFLICT OF INTEREST**

All Suppliers are required to perform their duties and activities, with the highest level of integrity, professionally and ethically. The supplier must also ensure that they avoid or eliminate any conflict of interest or situation that could

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reasonably be perceived as a conflict of interest and immediately report it to AVCT. Contracts are awarded based on product and service performance, cost, quality, and other factors deemed appropriate to meet the objectives of AVCT. Suppliers and their representatives must not have a relationship with any AVCT employee that affects or may appear to affect the employee's judgment or appear to be a conflict of interest. If a supplier inadvertently finds themselves in a situation that leads to or could be perceived as a conflict of interest, the problem should be reported to AVCT immediately.

## 11. COMPANY PROPERTY AND RESOURCES

AVCT recognizes assets no longer have to be tangible as some of the most powerful corporations in the world rely on tangible and intangible (abstract) property. Our property and resources play an essential role in an increasingly broad range of areas within the Company to create profits. Suppliers are responsible for protecting AVCT's tangible and intangible property and ensuring its legitimate business-related use. We prohibit suppliers from taking possession, selling, loaning, sharing, licensing, assigning, damaging, or otherwise disposing of AVCT's property regardless of its condition or value. Written approval is required to substantiate transferable rights or use.

## 12. CONFIDENTIAL INFORMATION AND PRIVACY

**"Confidential Information"** means Information that AVCT has or will develop, acquire, create, compile, discover or own, relating to AVCT's business and which we wish to maintain as confidential. Confidential information includes all information exchanged between AVCT and the Supplier for use in conducting company business. Confidential information also consists of all data of which the unauthorized disclosure could be detrimental to the interests of AVCT, whether or not such information is identified as Confidential Information and any confidential and proprietary information belonging to AVCT's customers, suppliers, licensors, licensees, partners, contractors or collaborators. Suppliers may become acquainted during the term of an agreement with software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, and hardware configuration information, and information must be handled with strict confidence. AVCT values and protects confidential Information, including Information about its customers, employees, operations, finances, and business plans. We may execute confidentiality, non-disclosure, and intellectual property agreements with a supplier before providing access to confidential information. Suppliers must comply with AVCT's privacy policy if access to customer records is required to deliver service. AVCT and the supplier must partner to protect the proprietary information by doing the following:

- Securing customers' information using encryption or other security protocols
- Storing customers' proprietary information for the duration of the business retention period as needed for business tax and legal needs
- Restricting Suppliers use of customers' information for disclosure, marketing, general use, or selling the proprietary information except as authorized under written agreement by AVCT

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