

## QuantumScape Supplier Code of Conduct 2022

QuantumScape is on a mission to transform energy storage with solid-state lithium-metal battery technology. The company's next-generation batteries are designed to enable greater energy density, faster charging and enhanced safety in electric vehicles and other applications to support the transition away from legacy energy sources toward a lower-carbon future.

QuantumScape is driven by the unrelenting pursuit of building the best battery technology. We emphasize that great results are achieved only through a passion for the problem, collaboration, authenticity, a priority of the customer and a bias to action.

While we move toward sustainable mobility, QuantumScape is committed to working with suppliers who share our values of transparency, fairness, and environmental stewardship, and who treat their workers with respect and dignity.

QuantumScape will assess its suppliers' compliance with this Code, and any violations of this Code may jeopardize a supplier's business relationship with QuantumScape up to and including termination. This Code applies to QuantumScape suppliers and their subsidiaries and affiliates, as well as any subcontractors providing goods or services to QuantumScape or for use in or with QuantumScape products.

The provisions of this code constitute minimum and not maximum standards and should not be used to prevent suppliers from exceeding those standards. QuantumScape requires its suppliers to operate in compliance with all applicable laws and regulations, and, where the provisions of law and this base framework address the same subject, to apply that provision which affords the greater protection.

### 1. Labor Standards and Practices

- 1.1. No forced labor: QuantumScape forbids the use of any forced, bonded, indentured, or involuntary prison labor. Workers shall not be required to lodge money, their identity papers, or anything of material value with their employer as conditions for employment and should be free to leave their employer after reasonable notice.
- 1.2. No child labor & policy on young workers: Employers must abide by the respective national regulation for the minimum age to work, but no younger than 15 years old. Working conditions for all workers under the age of 18 must comply with applicable local regulations.
- 1.3. Wages and benefits: Employers must pay at least the minimum wage and provide any benefits required by applicable law and employment contract. Employers must compensate for overtime hours at the legal premium rate. All workers shall be provided with written and understandable information about their employment conditions with respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid, pay accurate wages in a timely manner, and shall not use wage deductions as a disciplinary measure. Employers must meet all legal requirements relating to wages and benefits. All use of temporary and outsourced labor shall be within the limits of the local law.
- 1.4. Maximum working hours: A workweek shall be restricted to 60 hours, including overtime, and workers shall have at least one day off every seven days except in emergencies or unusual situations. Regular workweeks shall not exceed 48 hours. Supplier shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.
- 1.5. Freedom of association and right of collective bargaining: Workers should have the right to collectively negotiate terms and conditions of their employment without the threat of retaliation, intimidation, or harassment. The Employer should respect the legal rights of

workers to freedom of association and not hinder the rights of workers to legally organize and join associations.

- 1.6. No discrimination: Employers must not discriminate against any employee or job applicant in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation, or those categories protected by local law. Job candidates and employees are expected to be evaluated based on their ability to perform the job.
- 1.7. No harassment or abuse: workers should be able to work free of offensive conduct such as harsh or inhumane treatment, retaliation, bullying, sexual harassment, and other forms of psychological or physical coercion.
- 1.8. Grievances: Every worker should have the right to submit a grievance without suffering any prejudice whatsoever as a result. Employers should support investigations into any alleged violations via an effective procedure that is open to all workers and facilitates open communication between management and workers.
- 1.9. Third-party employment agencies: Supplier shall ensure that any third-party employment agencies it uses are compliant with the provisions of the Code and the law.

## 2. **Health and Safety**

- 2.1. Safe and Hygienic Work Environment: The supplier shall provide and maintain a safe work environment and shall integrate sound health and safety management practices into its business to prevent accidents and injury to health by addressing and minimizing the root causes of working environment hazards.
- 2.2. Safety training: Workers shall receive regular and documented health and safety training when applicable, and such training shall be repeated for new or reassigned workers.
- 2.3. Right to refuse unsafe work conditions: Workers shall be provided with a safe and hygienic work environment, potable water, and accessible and clean restrooms. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.
- 2.4. Emergency preparedness and response: Supplier shall identify and assess potential emergencies and shall have a policy to address, prepare for, and implement plans to minimize harm to life, environment, and property.
- 2.5. Infectious disease preparedness and response: Supplier shall have a policy to prepare for, prevent, and respond to the potential for an infectious disease among its employees.
- 2.6. Incident management: Supplier should have a procedure where employees can report workplace hazards and provide information necessary for supervisors to implement corrective actions to mitigate risk to personnel. For injuries incurred at work, Suppliers shall also provide necessary medical treatment and programs to facilitate workers' return to work.

## 3. **Environment**

- 3.1. Legal compliance: The supplier must work to conduct its business activities and operations in a manner that promotes the protection of people and the environment to the extent practicable. Suppliers are responsible for complying with all applicable laws, rules, and regulations governing health, safety, and the environment.
- 3.2. Permitting: Supplier shall obtain, maintain, and comply with all required health, safety, and environmental permitting for business operations, including permitting related to waste and pollution, hazardous waste, non-hazardous solid waste, wastewater, air emissions, stormwater management, and any other industry-required permitting.

- 3.3. **Management and reporting:** Suppliers are encouraged to measure its impacts of the use and discharge of natural resources and use an Environmental Management System (EMS) or similar continuous improvement program to reduce natural resource use, waste, and pollution. Suppliers are encouraged to adhere to more stringent EMS policy such as ISO 14001 or the EU Eco-Management and Audit Scheme (EMAS).
- 3.4. **Responsible sourcing of materials:** Supplier shall develop and maintain a process to determine and communicate the risk that input materials relevant to QuantumScape originate from high-risk regions. Suppliers should determine a region to be high risk by understanding which sourcing regions have a higher-than-normal occurrence of economic instability, political instability, forced labor, human trafficking, child labor, including any other unethically or environmentally irresponsible behavior.

Suppliers who are involved in the chain of custody of cobalt, tantalum, tin, tungsten, gold, aluminum, nickel, copper, lithium, rare earths, and other high-risk input materials must assure they are sourcing materials in line with an industry-recognized due diligence framework like the Responsible Business Alliance (RBA)'s Responsible Minerals Initiative or the Organization for Economic Co-operation and Development (OECD)'s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Upon request, relevant suppliers shall identify smelters and refineries used to process materials supplied to QuantumScape.

#### **4. Transparency, Ethics and Fair Market Behavior**

- 4.1. **Business integrity:** Suppliers must refuse all forms of extortion, embezzlement, bribery, or corruption, whether private or public. Suppliers will conduct business in accordance with applicable competition, antitrust, and corruption conventions, laws, and regulations of the countries in which it operates.
- 4.2. **No money laundering:** Suppliers must conduct business only with reputable customers involved in legitimate business activities using funds derived from legitimate sources. Suppliers should avoid engaging in any transaction that is structured in any way that could be viewed as concealing illegal conduct or the tainted nature of the proceeds or assets at issue in the transaction.
- 4.3. **No insider trading:** In many cases it is essential for QuantumScape to share confidential information with a Supplier which and may constitute material nonpublic information. Trading in QuantumScape's securities by an employee of Supplier while in possession of material nonpublic information could constitute insider trading, violating the law. It is the Supplier's responsibility to ensure its employees are aware of these limitations and comply with these laws.
- 4.4. **Conflicts of interest:** Supplier shall make business decisions solely on the basis of objective criteria and do not allow bias, conflict of interest, or inappropriate influence of others to override its professional judgments and responsibilities. Supplier must notify QuantumScape of any conflict of interest situation immediately upon becoming aware of it.
- 4.5. **Disruption transparency:** In the event of a disruption of the Supplier's operations or sources of materials causing potential harm to QuantumScape production, the Supplier will promptly communicate the disruption to QuantumScape.
- 4.6. **Ethics transparency:** In the event of an incident where one or more of the policies contained in the Code are breached by Supplier or an upstream supplier whose materials are direct inputs into products provided to a QuantumScape product, the supplier promptly must notify QuantumScape without falsification or misrepresentation.
- 4.7. **Protection of confidential and personal information:** Supplier shall use, collect, and handle all confidential information of QuantumScape in a responsible manner and in a manner

consistent with any contractual obligations. Confidential business information of QuantumScape may not be made available in any form to unapproved third parties. Supplier should maintain company policies that aim to prevent the misuse or unauthorized disclosure, acquisition of, or access to confidential proprietary or protected information. The collection and processing of personal data be handled in accordance with the supplier's obligations to the applicable data protection laws.

- 4.8. *Import/export compliance*: Suppliers must comply with all applicable import and export control laws, including without limitation, United States sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods, technology and payments.
- 4.9. *Intellectual property*: Supplier shall respect intellectual property rights and any transfer of technology or know-how shall be done in a manner that protects the intellectual property rights of the owner. Supplier shall manage technology and know-how to which it has been entrusted in a manner that protects confidentiality and intellectual property rights.

## **5. *Compliance and Review Policy***

QuantumScape reserves the right to send third-party experts to conduct audits to ensure compliance with the Code. Audits will be done with advance warning given of each inspection, during normal business hours in the presence of a representative from the supplier, and in compliance with applicable law. Supplier shall not in any manner unreasonably delay, condition, or otherwise interfere with QuantumScape's right to conduct the audit. Results from the audits will remain confidential within QuantumScape.

In the event of a possible violation, where QuantumScape has reasonable suspicion that a tenet of the Code is being violated, QuantumScape may request the supplier to audit its own supply chain and take corrective action plans. Supplier should have a standard operating procedure to take corrective action on any violations or deficiencies of the Code determined internally or externally.

QuantumScape reserves the right to issue a new business hold or end the contractual relationship with supplier if supplier does not comply with requirements. In the event of a violation of the Code, the decision lies with QuantumScape to exercise this right or to continue doing business with the supplier if satisfied with the corrective actions taken by supplier to remedy the violation.

The Code uses national and industry-accepted standards and conventions of the United Nations and the International Labor Organization (ILO), ISO 4001, OECD, and is formed in part from guidance and resources provided by the Ethical Trading Initiative, and the RBA's Responsible Minerals Initiative. QuantumScape's selective use of certain provisions published by an organization does not amount to a wholesale endorsement of the organization's policies or sponsorship or affiliation with that organization.

The following resources were used to compile the Code and may help provide detailed information:

OECD, 2013, *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition*, OECD Publishing. <http://dx.doi.org/10.1787/9789264185050-en>

OSHA, 6 May 2020, *OSHA Field Safety and Health Management System (SHMS) Manual 2.3-2.11*.  
[https://www.osha.gov/sites/default/files/enforcement/directives/ADM\\_04-00-003.pdf](https://www.osha.gov/sites/default/files/enforcement/directives/ADM_04-00-003.pdf)

Responsible Business Alliance, 1 January 2021, *RBA Code of Conduct 7.0*.  
<https://www.responsiblebusiness.org/code-of-conduct/>

Responsible Business Alliance. Accessed 24 August 2022, *Responsible Minerals Initiative Assurance Process*.  
<https://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/>

Ethical Trading Initiative. Accessed 24 August 2022, *ETI Base Code*. <https://www.ethicaltrade.org/eti-base-code>

International Labor Organization, Accessed 23 September 2022, *Up-to-date Conventions and Recommendations*.  
<https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12020:0::NO>

United Nations. 10 December 1948, *UN Declaration of Human Rights*. <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

United Nations Global Compact. 2019, *Ending Child Labour, Forced Labour and Human Trafficking in Global Supply Chains*. <https://www.unglobalcompact.org/library/5730>

International Labor Organization, Accessed 22 September 2022, *Grievance Handling*.  
[https://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---travail/documents/publication/wcms\\_622209.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_622209.pdf)