

Scope: Provision of foreign trade services, customs clearance, warehousing, sea, road, air, and intermodal (rail) logistics operations, as well as inland and international delivery services.

1. PURPOSE

The purpose of this Supply Chain Compliance Policy ("Policy") is to communicate Apron Global Logistics' principles and values to our Business Partners and provide them with necessary guidance on the standards we expect them to follow. This Policy also directs Apron Global Logistics in its Business Partner selection and monitoring processes. All employees, directors, and officers of Apron Global Logistics must comply with this Policy, which is an integral part of the Company's Code of Ethics. Each business unit is responsible for ensuring that all its Business Partners are aware of and act in accordance with this Policy.

2. DEFINITIONS

"Business Partners": Suppliers, subcontractors, logistics service providers, warehouse operators, customs brokers, freight forwarders, distributors, representatives, independent contractors, and consultants.

"Human Rights": Rights inherent to all human beings, regardless of gender, race, color, religion, language, age, nationality, or social origin, and wealth. This includes the right to an equal, free, and dignified life.

"ILO": The International Labour Organization.

"Money Laundering": Activities involving taking criminal proceeds and disguising their illegal source for future use in legal or illegal activities.

"Sanctions Target": Any individual, entity, or government that is a designated target of sanctions, including those subject to embargoes and individuals or companies owned or controlled by them.

"The UN": The United Nations.

"The UN Global Compact": A global initiative encouraging businesses to adopt sustainable and socially responsible policies.

"The UN Guiding Principles on Business and Human Rights": Guidelines for preventing and addressing human rights abuses in business operations.

"The Universal Declaration of Human Rights (UDHR)": A milestone document adopted by the UN in 1948, outlining fundamental human rights.

"The ILO Declaration on Fundamental Principles and Rights at Work": An ILO declaration adopted in 1998, promoting core labor standards.

3. GENERAL PRINCIPLES

Apron Global Logistics selects its Business Partners based on factors such as technical competencies, experience in transportation, warehousing, customs clearance, and international distribution, product/service quality, pricing, corporate reputation, and financial soundness. A risk-based approach is applied to evaluate compliance risks associated with Business Partners. This involves the following steps:

- Third-Party Screening: Ensuring the Business Partner or its owners are not a Sanctions Target.
- Audits: Conducting audits to confirm compliance with relevant agreements, laws, regulations, and the Company Code of Ethics.
- Training: Providing training to ensure compliance with expected standards.

4. ONBOARDING PROCESS

Apron Global Logistics' business units are responsible for conducting Denied Party Screening ("DPS") before engaging with a new Business Partner. Additionally, compliance with the Company's Guiding Principles is assessed via self-assessment forms and due diligence queries. If any red flags are identified, Enhanced Due Diligence may be conducted, with approval from senior management required before proceeding.

Contracts may be terminated in case of policy violations. All agreements must include clauses related to policy adherence and audit rights.

5. GUIDING PRINCIPLES FOR BUSINESS PARTNERS

5.1. Laws and Regulations

Business partners must comply with all applicable laws, including those related to competition, anti-money laundering, counter-terrorism financing, data privacy, and anti-bribery.

5.2. Human Rights

Business Partners are expected to uphold human rights, ensuring no association with child labor, forced labor, or labor abuse, and maintaining zero tolerance for slavery and human trafficking.

5.3. Compliance with Labor Laws

Business Partners must comply with labor laws, providing fair wages, benefits, and working conditions.

5.4. No Harassment and Violence

A safe work environment must be maintained, free from harassment, abuse, or intimidation.

5.5. Non-Discrimination

Work environments must be inclusive and free of discrimination on any grounds.

5.6. Freedom of Organization and Collective Agreement

The right to organize, unionize, and engage in collective bargaining must be respected.

5.7. Health and Safety

A safe and healthy working environment is to be provided, particularly for staff involved in warehouse operations, cargo handling, and transportation services.

5.8. Environment

Business Partners must comply with environmental regulations and seek to reduce emissions and waste, especially in transportation and warehousing activities.

5.9. Ethics

Business Partners must operate ethically and in full compliance with anti-bribery and anti-money laundering laws.

5.10. Reporting

Clear and confidential reporting mechanisms must be provided to employees for raising concerns, with protections against retaliation.

6. TRAINING AND DEVELOPMENT

Apron Global Logistics encourages Business Partners to offer training that enhances employees' knowledge of safety, compliance, and cross-border logistics regulations.

7. MANAGEMENT SYSTEMS

Business Partners must maintain systems ensuring compliance with laws, contractual obligations, and this Policy's principles.

8. AUTHORITY AND RESPONSIBILITIES

All Apron Global Logistics employees and directors are responsible for ensuring compliance with this Policy. Violations by Business Partners may result in contract termination and potential legal consequences.

APPROVED BY THE CEO AND THE BOARD OF DIRECTORS

Apron Global Logistics Foreign Trade Ltd. Co.



PREPARED AND APPROVED BY APRON GLOBAL LOGISTICS BOARD OF DIRECTORS