

## Ethical Business Practices:

Terra Drive Systems (TDS) operates with corporate Ethics laws and requires it's suppliers to adhere to them as well. This includes, but is not limited to:

1. **Corporate Governance**
  - Maintain transparent and accountable management practices.
  - Ensure accurate and timely disclosure of financial and operational information if applicable.
2. **Insider Trading**
  - Prohibit the use of non-public, material information for trading purposes.
  - Implement measures to prevent insider trading within your organization.
3. **Bribery and Corruption**
  - Adhere to anti-bribery laws such as the Foreign Corrupt Practices Act (FCPA).
  - Prohibit any form of bribery, corruption, or unethical payments to government officials or business partners.
4. **Discrimination**
  - Ensure equal treatment of all employees, regardless of race, gender, age, religion, or other protected characteristics.
  - Promote a diverse and inclusive workplace.
5. **Social Responsibility**
  - Engage in environmentally sustainable practices.
  - Contribute positively to the communities in which you operate.

## Environmental Initiative:

TDS strives to improve its environmental impact and encourages its suppliers to be considerate of and strive to improve their environmental footprint. Environmental responsibility can be monitored by making a commitment to the following Environmental ethics principles.

1. **Sustainability:** Commitment to sustainable practices that ensure long-term environmental health. This includes reducing waste, conserving energy, and using resources efficiently.
2. **Pollution Prevention:** Implementing measures to reduce emissions and pollutants. This can involve adopting cleaner production techniques and investing in pollution control technologies.
3. **Resource Management:** Responsible use of natural resources, including water, minerals, and forests. Companies often focus on recycling, reusing materials, and sourcing sustainably.

## Terra Drive Systems: Supplier Ethics, Materials and Environmental Requirements

4. **Compliance with Environmental Laws:** Adhering to local, national, and international environmental regulations. This includes laws related to air and water quality, hazardous waste, and chemical management.
5. **Environmental Stewardship:** Taking proactive steps to protect and enhance the environment. This can involve initiatives like reforestation, habitat restoration, and supporting biodiversity.
6. **Green Innovation:** Investing in research and development to create environmentally friendly products and processes. This includes green product design, energy-efficient technologies, and sustainable supply chains

### CBAM:

To manufacture goods which will be sold into the European union, TDS is required to compile and provide data, related to the carbon emissions created by their production and manufacturing process. TDS requires its suppliers comply with and assist in gathering information related to their carbon emissions data. All information gathered for CBAM submission data will be used solely for the purpose of compliance with regulatory requirements. For information in regard to CBAM:

[https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)

### Material Requirements:

Entities that supply products to TDS shall ensure that they supply products that adhere to the following requirements.

#### **Conflict Materials**

- Conflict minerals are most often referred to as the **3TGs**: columbite-tantalite (the metal ore from which **tantalum** is extracted); cassiterite (the metal ore from which **tin** is extracted); wolframite (the metal ore from which **tungsten** is extracted); **gold**; or their derivatives.
- Suppliers must disclose their use of conflict materials that originated from the Democratic Republic of Congo (DRC) and the nine adjoining countries where these minerals are often smelted and traded. The **Conflict Minerals Reporting Template (CMRT)** is the industry-standard template for companies required to file a Conflict Minerals Report.
- If there are any questions regarding this, please feel free to visit the attached link for more information.

[www.sec.gov/info/smallbus/secg/conflict-minerals-disclosure-small-entity-compliance-guide.htm](http://www.sec.gov/info/smallbus/secg/conflict-minerals-disclosure-small-entity-compliance-guide.htm)

### **Russian Material**

- Do NOT incorporate iron and /or steel products originating from Russia.
- Do NOT contain certain iron and/or steel products, directly or indirectly, that are restricted for import into the EU, EU, or any other country, including, but not limited to pursuant to the following regulations. Annex XVII, as per article 3g of (EU) Council Regulation No 833/2014 concerning “restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine”; and Schedule 3B, as per Regulation 461A and 461B of the (UK) Russia Sanctions Regulations.
- Do Not contain products that are processed in a third country and contain iron and/or steel products, directly or indirectly, that are referenced in the foregoing.

### **Plating Requirements**

- Hexavalent plating is not acceptable for any parts that are provided to TDS plated; we will only accept Trivalent plating.

### **CDX Material Reporting – Company ID 27057**

- TDS as a customer may require CDX submission or IMDS data submission from our suppliers at the time of PPAP or later in part life cycle. When requested complete product information must be submitted into the appropriate database and must be annotated on the PSW that has been uploaded. It is the supplier's responsibility to maintain records for submission if not immediately requested.
- TDS can aid during the initial submission process and can help answer questions from suppliers who may be unfamiliar with material reporting.
- After initial notification of CDX reporting requirement, Supplier will have 72 hours to submit part information into appropriate database.