

Supplier Code of Conduct

To ensure a safe working environment throughout the Shinkong Group supply chain; that employees are treated with respect and dignity; and that business operations promote environmental protection and comply with ethical standards, the Shinkong Group has established this Supplier Code of Conduct (the “Code”).

The Shinkong Group requires suppliers to comply with this Code and to comply with the laws and regulations of the countries and regions in which they operate. The Shinkong Group also encourages suppliers to require their downstream suppliers, contractors, and service providers to acknowledge and adopt this Code.

The provisions of this Code are established with reference to the Responsible Business Alliance (RBA) Code of Conduct.

I. Labor

Participants shall, in accordance with internationally recognized standards, commit to upholding the human rights of workers and treating them with respect. This applies to all workers, including temporary workers, migrant workers, students, contract workers, direct employees, and any other type of worker.

Labor Standards:

1. Freely Chosen Employment

Forced, bonded (including debt bondage), or indentured labor; involuntary or exploitative prison labor; slavery; or human trafficking shall not be used. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction, or fraud for labor or services. In addition to prohibiting unreasonable restrictions on workers’ ingress to and egress from the workplace, workers’ freedom of movement within the workplace shall not be unreasonably restricted.

2. Young Workers

Child labor shall not be used in any manufacturing process. “Child” refers to any person under 15 years of age, under the age for completion of compulsory education, or under the minimum employment age in the applicable country/region, whichever is greatest. Legitimate workplace learning programs that comply with all laws and regulations are not included. Workers under 18 years of age (“young workers”) shall not perform work likely to jeopardize their health or safety, including night shifts or overtime.

3. Working Hours

Studies of business practices clearly link worker fatigue to reduced productivity, increased turnover, and higher rates of injury and illness. Accordingly, working hours shall not exceed the maximum set by local law. Further, a workweek shall not exceed 60 hours, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. Overtime pay shall be at a premium rate higher than the regular hourly rate as required by local law. Wage deductions as a disciplinary measure are prohibited. In each pay period, workers shall be provided a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. Temporary workers, dispatch workers, and outsourced workers shall be engaged in accordance with local law.

5. Humane Treatment

Harsh and inhumane treatment of workers, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse, is prohibited; nor shall there be threats of any such treatment. Disciplinary policies and procedures shall be clearly defined and communicated to workers.

6. Non-Discrimination

Participants shall commit to a workplace free of harassment and unlawful discrimination. Companies shall not discriminate against workers based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, group background, veteran status, protected genetic information, marital status, or other status protected by law, including in hiring and employment practices such as wages, promotions, rewards, and access to training. Appropriate facilities shall be provided for religious practices. Workers or potential workers shall not be subjected to discriminatory medical tests or physical examinations.

7. Freedom of Association

In accordance with local law, Participants shall respect the rights of all workers to form and join trade unions of their own choosing, to bargain collectively, and to assemble peacefully, as well as the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

II. Health and Safety

Participants recognize that, in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, the consistency of production, and employee loyalty and morale. Participants also recognize that ongoing worker input and education are essential to identifying and addressing health and safety issues in the workplace.

Health and Safety Standards:

1. Occupational Safety

Potential safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards/accidents) shall be identified, assessed, and controlled through appropriate design, engineering and administrative controls, preventive maintenance, safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled, workers shall be provided with and required to use appropriate, well-maintained personal protective equipment (PPE), along with educational materials regarding associated risks. Reasonable steps shall be taken to remove pregnant women and nursing mothers from high-hazard work environments, to eliminate or reduce occupational health and safety risks to them (including those related to job assignments), and to provide reasonable accommodations for nursing mothers.

2. Emergency Preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimized through implementation of emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed exits, adequate evacuation facilities, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

3. Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track, and report occupational injury and illness, including: encouraging worker reporting; classifying and recording cases; providing necessary medical treatment; investigating cases and implementing corrective actions to eliminate their causes; and facilitating workers' return to work.

4. Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the hierarchy of controls. Potential hazards shall be eliminated or controlled through appropriate design, engineering and administrative controls. Where these controls are not effective, workers shall be provided with and required to use appropriate, well-maintained PPE. Protection programs shall include educational materials about risks associated with these hazards.

5. Physically Demanding Work

The impacts of physically demanding tasks on workers shall be identified, evaluated, and controlled, including manual material handling and heavy lifting, repetitive lifting, prolonged standing, and highly repetitive or high-force assembly tasks.

6. Machine Safeguarding

Safety hazards of production equipment and other machinery shall be evaluated. Physical guards, interlocks, and barriers shall be provided and properly maintained where machinery could cause injury to workers.

7. Sanitation, Food, and Housing

Workers shall be provided with clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by Participants or labor agents shall be clean and safe and provide appropriate emergency exits, hot water for bathing, adequate heating and ventilation, reasonable lighting, secure storage for personal and valuable items, and reasonable personal space and entry/exit privileges.

8. Health and Safety Communication

Participants shall provide workers with appropriate occupational health and safety information and training in the worker's language or a language they can understand, to identify workplace hazards, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety information shall be clearly posted in the facility or placed in a location that is identifiable and accessible to workers. Training shall be provided to all workers prior to beginning work and periodically thereafter. Workers shall be encouraged to raise safety concerns.

III. Environment

Participants recognize that environmental responsibility is integral to producing world-class products. In manufacturing operations, adverse impacts on the community, environment, and natural resources shall be minimized, while safeguarding public health and safety.

Environmental Standards:

1. Environmental Permits and Reporting

All required environmental permits (e.g., discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current, and their operational and reporting requirements shall be followed.

2. Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and the generation of waste shall be reduced or eliminated at the source or by practices such as adding pollution control equipment, modifying production, maintenance and facility processes, or other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, material substitution, reuse, conservation, recycling, or other means.

3. Hazardous Substances

Chemicals and other substances posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

4. Solid Waste

Systematic approaches shall be implemented to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous solid waste.

5. Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Air emission control systems shall be routinely monitored for performance.

6. Materials Restrictions

All applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal, shall be complied with.

7. Water Management

A water management program shall be implemented to document, characterize, and monitor water sources, use, and discharge; seek opportunities to conserve water; and control contamination channels. All wastewater shall be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Wastewater treatment and control systems shall be routinely monitored to ensure optimal performance and regulatory compliance.

IV. Ethics

To fulfill social responsibilities and achieve success in the marketplace, Participants and their agents shall uphold the highest ethical standards, including:

1. Business Integrity

The highest standards of integrity shall be upheld in all business interactions. Participants shall adopt a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion, and embezzlement.

2. No Improper Advantage

No bribes or other means of obtaining undue or improper advantage shall be promised, offered, authorized, given, or accepted. This prohibition includes promising, offering, authorizing, giving, or accepting anything of value, whether directly or indirectly through a third party, to obtain or retain business, direct business to any person, or otherwise obtain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

3. Disclosure of Information

Business dealings shall be transparent and accurately reflected in Participants' books and records. Information regarding labor practices, health and safety, environmental practices, business activities, organizational structure, financial situation, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is prohibited.

4. Intellectual Property

Intellectual property rights shall be respected. Technology and know-how shall be transferred in a manner that protects intellectual property rights, and customer and supplier information shall be safeguarded.

5. Fair Business, Advertising, and Competition

Standards of fair business, advertising, and competition shall be upheld.

6. Protection of Identity and Non-Retaliation

Unless prohibited by law, Participants shall establish procedures to protect the confidentiality and anonymity of supplier and employee whistleblowers, and to ensure non-retaliation. Participants shall also establish communication channels for workers to raise concerns without fear of retaliation. A “whistleblower” refers to any person who reports improper conduct by company employees, supervisors, or public officials and governmental agencies.

7. Responsible Sourcing of Minerals

Participants shall adopt a policy to reasonably ensure that tantalum, tin, tungsten, and gold in the products they manufacture do not directly or indirectly finance or benefit armed groups that commit serious human rights abuses. Participants shall exercise due diligence on the source and chain of custody of these minerals and make available supporting documentation upon customer request.

8. Privacy

Participants shall commit to reasonably protect the personal information and privacy of all individuals with whom they do business, including suppliers, customers, consumers, and employees. Participants shall comply with privacy and information security laws and regulatory requirements when collecting, storing, processing, transmitting, and sharing personal information.

V. Management Systems

Participants shall adopt or establish management systems with a scope related to the content of this Code. Such management systems shall include the following elements:

1. Company Commitment

A corporate social and environmental responsibility policy statement shall affirm Participants' commitment to compliance and continuous improvement, be endorsed by executive management, and be posted in the workplace in the local language.

2. Management Accountability and Responsibility

Participants shall clearly identify senior management and company representatives responsible for ensuring implementation of management systems and related programs. Senior management shall review the status of the management system on a regular basis.

3. Legal and Customer Requirements

Procedures shall be established to identify, monitor, and understand applicable laws, regulations, and customer requirements (including the requirements of this Code).

4. Risk Assessment and Risk Management

Procedures shall be established to identify legal compliance, environmental, health and safety, labor, and ethics risks associated with Participants' operations; to determine the relative significance for each risk; and to implement appropriate procedures and substantive controls to manage identified risks and ensure regulatory compliance.

5. Training

Training programs shall be established for management and workers to implement Participants' policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

6. Communication

Procedures shall be established to clearly and accurately communicate Participants' policies, practices, expectations, and performance to workers, suppliers, and customers.

7. Worker Feedback, Participation, and Grievance

Ongoing processes (including effective grievance mechanisms) shall be established to assess workers' understanding of practices and conditions covered by this Code and to obtain worker feedback, in order to foster continuous improvement.

8. Audits and Assessments

Self-evaluations shall be conducted periodically to ensure compliance with legal and regulatory requirements, the content of this Code, and customer contractual requirements related to social and environmental responsibility.

9. Corrective Action Process

Procedures shall be established to ensure timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and audits.

10. Documentation and Records

Documents and records shall be created and maintained to ensure regulatory compliance and conformity to company requirements, while appropriately protecting confidentiality and privacy.

11. Supplier Responsibility

Procedures shall be established to communicate the requirements of this Code to suppliers and to monitor suppliers' compliance with this Code.