



# New Kinpo Group Suppliers' Code of Conduct

## Version 2.0

New Kinpo Group promise to strictly implement the social responsibility and ethical behavior policy. New Kinpo Group requires its suppliers to comply with all relevant applicable regulations when producing products or providing services for the New Kinpo Group, including laws and regulations in the locations of overseas factories, in order to maintain human rights and dignity, provide a safe working environment, and responsible for the production environment and act fairly in accordance with ethical standards.

The code of conduct ("Code") refers the internationally recognized standards, summarize the expectations of New Kinpo Group of labor rights, health and safety, environmental impact, ethics and management systems on supplier behavior. When there is a conflict between standards and legal provisions, the applicable laws shall be followed and stricter standards shall be adopted.

New Kinpo Group will evaluate/assess the implementation of this standard for suppliers. Any violation of this standard may damage the business relationship between New Kinpo Group and the supplier and result in the termination of the business of both parties.

The Code applies to the suppliers and their branches, affiliates and subcontractors who provide commodities/services to the New Kinpo Group or the commodities/services provided are used in the products of New Kinpo Group (respectively referred to as "Supplier").

The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D adds standards relating to business ethics; Section E outlines the elements of an acceptable system to manage conformity to this Code.



## A. LABOR

### 1. Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor; involuntary or exploitative prison labor; slavery or trafficking of persons **is not permitted**. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting supplier-provided facilities **including if applicable, workers' dormitories or living quarters**. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. **Foreign migrant workers must receive the employment agreement** prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment **without penalty if reasonable notice is given as per worker's contract**. Employers and agents may not hold or otherwise destroy or conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports or work permits. Employers **can only hold documentation if** such holdings are required by law. **In this case, at no time should workers be denied access to their documents**. Workers shall not be required to pay employers', **agents' or sub-agents'** recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### 2. Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. **Supplier shall implement appropriate mechanism to verify the age of workers**. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety of young workers, including night shifts and overtime. Supplier shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Supplier shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. **If child labor is identified,**



assistance/remediation is provided.

### 3. Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. 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. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### 5. Humane Treatment

There is to be no harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### 6. Non-Discrimination / Non-Harassment

Supplier should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.



## 7. Freedom of Association

In conformance with local law, supplier shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect 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, reprisal, intimidation or harassment.





## **B. HEALTH and SAFETY**

### **1. Occupational Safety**

Worker potential for exposure to **health and safety hazards** (e.g. chemical, electrical and other energy sources, fire, vehicles, fall hazards, etc.) are to be identified, assessed and **mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling** through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and providing ongoing **occupational health and safety training**. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about the risks to them associated with these hazards.

Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including **those associated with their work assignments**, and provide reasonable accommodations for nursing mothers.

### **2. Emergency Preparedness**

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills. **Emergency drills must be executed at least annually or as required by local law whichever is more stringent. Emergency plans should also include** appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, **contact information for emergency responders**, 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 are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to:

- a) encourage worker reporting;
- b) classify and record injury and illness cases;
- c) provide necessary medical treatment;
- d) investigate cases and implement corrective actions to eliminate their causes; and
- e) facilitate return of workers to work.

### **4. Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled according to the hierarchy of controls. **If any potential hazards were identified, supplier shall look for opportunities to eliminate and/or reduce the potential**



hazards.

If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

#### 5. Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

#### 6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

#### 7. Food, Sanitation and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Auditee or a labor agent are to be maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

#### 8. Health and Safety Communication

Supplier shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise [any health and safety concerns without retaliation](#).



## C. ENVIRONMENTAL

### 1. Environmental Permits and Reporting

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

### 2. Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water fossil fuels, minerals and virgin forest products is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

### 3. Hazardous Substances

Chemical, waste and other materials posing a hazard to humans or to the environment are to be identified, labelled and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

### 4. Solid Waste

Supplier shall implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle solid waste (non-hazardous).

### 5. Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge.

[Ozone depleting substances are to be effectively managed in accordance to the Montreal Protocol and applicable regulations.](#) Supplier shall conduct routine monitoring of the performance of its air emission control systems.

### 6. Materials Restrictions

Supplier are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

### 7. Water Management

Supplier shall implement a water management program that documents, characterizes, and



monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Supplier shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

#### 8. Energy Consumption and Greenhouse Gas Emissions

Supplier is to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented and publicly reported against the greenhouse gas reduction goal. Supplier are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.







## **D. ETHICS**

To meet social responsibilities and to achieve success in the marketplace, Business is to uphold the highest standards of ethics including:

### **1. Business Integrity**

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

### **2. No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### **3. Disclosure of Information**

All business dealings should be transparently performed and accurately reflected on supplier's business books and records. Information regarding supplier labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to 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 unacceptable.

### **4. Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights and customer and supplier information is to be safeguarded.

### **5. Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld.

### **6. Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained unless prohibited by law. Supplier should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.



## 7. Responsible Sourcing of Minerals

Supplier shall adopt a policy and exercise due diligence on the source and chain of custody of tantalum, tin, tungsten and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Cooperation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

## 8. Privacy

Supplier is to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Supplier is to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.





## E. MANAGEMENT SYSTEM

Supplier shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure:

- (a) compliance with applicable laws, regulations and customer requirements related to our operations and products;
- (b) conformance with this Code; and
- (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

### 1. Supplier Commitment

Corporate social and environmental responsibility policy statements affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the language of the workers or in a language the workers can understand.

### 2. Management Accountability and Responsibility

The supplier clearly identifies senior executive and supplier representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

### 3. Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

### 4. Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Auditee's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

### 5. Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Supplier's social, environmental, and health and safety performance, including a periodic assessment of Supplier's performance in achieving those objectives.

### 6. Training

Programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.



## 7. Communication

Process for communicating clear and accurate information about Auditee's policies, practices, expectations and performance to workers, Suppliers and customers.

## 8. Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. **Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.**

## 9. Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

## 10. Corrective Action Process

Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

## 11. Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to supplier requirements along with appropriate confidentiality to protect privacy.

## 12. Supplier Responsibility

Process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.