



## Primax Supplier Code of Conduct

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As a leading provider of information, electronic, and consumer products solutions, Primax upholds the corporate mission of outstanding quality innovative research and development, smart manufacturing and stable growth, and actively promotes sustainable development with the best effort based on the three main aspects of “environmental protection”, “pragmatism and responsibility” and “smart applicable”. In addition, Primax aims to maximize its influence and collaborates with supplier chain cooperating partners to improve sustainable development jointly and continuously while fulfilling corporate citizen responsibilities.

Primax is committed to the implementation of responsible procurement management, and suppliers are requested to properly comply with the local laws and the business code of conduct, to also protect the legal rights and interests of employees, to respect and ensure fair treatment of employees, to provide safe working environment to employees and to participate in environmental protection actively, thereby maintaining the highest business ethical standards.

To further regulate the responsible procurement management operation, Primax hereby establishes the “Supplier Code of Conduct” (hereinafter referred to as the “Code of Conduct”) for compliance. The Code of Conduct is established in accordance with the International Labour Organization (ILO), Responsible Business Alliance (RBA), generally accepted social responsibility related management systems (ISO 45001, ISO14001, etc.) and customers’ requirements on the labor human rights, environmental and occupational health and safety, conflict minerals management and business ethical standard. The Code of Conduct is applicable to all suppliers of Primax and subsidiaries. Primax requests suppliers to comply with the requirements of the Code of Conduct during the cooperation period and to also optimize the management system actively in order to improve performance continuously. In case of any discrepancy between the local laws and the Code of Conduct, the stricter standard shall prevail.

## **P. Social Zero Tolerance**

**Primax considers the following as the restrictions for the social responsibility management. In case of discovery of any violation of the following conditions, the cooperation relationship between the two parties will be significantly affected, including but not limited to termination or suspension of cooperation relationship.**

- ✧ Any form of employment of child labor.
- ✧ Any form of compulsory or forced labor and bonded labor.
- ✧ Any abusive conduct towards employees.
- ✧ Any form of bribery, corruption, extortion, blackmail or dishonest behaviors.

## **A · Labor Human Rights**

Employees are the most important cooperating partners of an enterprise, all employees shall be treated with respect and fairness. Accordingly, suppliers commit to protect the labor rights and interests of employees at the maximum possible extend.

### **A1 Free Choice of Professional and Employment**

All works and jobs of employees of suppliers shall be performed voluntarily, and Primax prohibits any form of compulsory or forced labor.

- Suppliers shall not engage in human trafficking or any form of slavery, compulsory or forced labor, bonded labor, contract or prison labor, and shall not transport, conceal, recruit, transfer, accept or employ personnel through any means of threat, forced or compulsory method or fraud, or use any recruitment agency service involving compulsory or forced labor.
- Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment.
- Suppliers shall not detain or intentionally damage employees' identification certificates, entry/exit permit documents or any identity supporting document original copies issued by the government.
- Suppliers shall sign labor agreement (contract) with employees according to the laws, and shall also state the employment terms and conditions clearly in the language understandable to the employees.
- Suppliers shall not impose unreasonable activity restrictions, such as restricting employees' freedom to drink water or use toilets.

- Employees shall have the right to resign from the work freely at any time. When an employee provides a reasonable advance notice according to the laws or requirements specified in the labor agreement (contract) of both parties, he/she shall have the right to terminate the employment relationship without any penalties.

## **A2. Child Labor and Underage Worker Protection**

Employment of employees shall be made in accordance with the minimum employment age requirement specified in the laws or international standards (the stricter standard shall prevail). Primax prohibits any form of child labor. Workers under the age of 18(Underage Worker) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Proper management of underage worker like proper maintenance of records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations are needed.

## **A3. Reasonable Working Hours**

The working hours shall not exceed the maximum working hours specified by the local laws and regulations. All overtime work shall be voluntarily agreed upon by employees. Employees working for six days consecutively shall be given at least one rest day.

## **A4. Wage and Benefits**

Salaries and benefits, including the minimum wage, overtime pay and statutory benefits specified by the law, entitled to employees shall be paid and provided according to the laws. It is prohibited to deduct wage as a means of disciplinary action. Suppliers shall ensure that concise and appropriate wage documents or slips are provided to employees timely during each payment cycle, in order to verify and prove the accuracy of the salaries paid to employees. Suppliers shall comply with the local laws and regulations to employ any temporary workers, dispatch workers and expatriates.

## **A5. Humane Treatment**

Primax prohibits any abusive conduct towards employees. Suppliers shall not treat employees harshly inhumanely, including violence, sexual violence, sexual harassment, physical punishment, mental or physical oppression, bullying, public humiliation or verbal insult, and it is also prohibited to engage in any similar conducts with threats. All relevant disciplinary policies and procedures shall be clearly defined and conveyed or explained to employees clearly.

## **A6. Non-discrimination/Non-harassment**

Suppliers shall not discriminate or harass employees due to race, skin color, gender, sexual orientation, gender identity/expression, race, ethnicity or ethnic group, disability, pregnancy, religious belief, political stance, group background, veteran identity, protected genetic data or marriage status, etc. during recruitment or actual works, that may affect the employees' wage, job promotion, reward and opportunity to receive training, etc. It is prohibited to request employees or quasi-employees (employees expected to report to work) to receive discriminative medical test or physical examination. Reasonable place for religious activities shall be provided to employees.

#### **A7. Freedom of Association**

Suppliers shall respect employees' rights to organize and participate in the union of their choice, to engage in collective bargaining and to participate in peaceful assembly. In addition, suppliers shall also respect employees' right to avoid such activities. Employees or union representatives may communicate the job conditions and management methods with the management and share their opinions and concerns in an open manner without worries of discrimination, revenge, threat or harassment.

### **B · Occupational Health and Safety**

Primax values the occupational health and safety issue significantly. Suppliers eliminate or reduce occupational hazards diligently and shall also continue to invest resources on employees and to enhance employees' ability in identifying health and safety risks, which is also the key to hazard prevention. Appropriate occupational health and safety trainings, including but not limited to machinery, power, chemical, fire and physical hazards, shall be provided to employees. Health and safety related information shall be posted at visible areas of the workplace, or relevant document shall be provided at places that are visible and accessible to employees. In addition, employees shall be encouraged to raise any health or safety related concerns and to also protect them from any revenge acts.

#### **B1. Occupational Safety**

Suppliers shall comprehensively obtain and timely update all necessary health and safety permits, which is essential basis to ensure occupational safety. Suppliers shall provide and maintain safe working environment, and shall also integrate health and safe management in job duties completely, such that through the priority sequence of hazard elimination, replacement, engineering control, administrative control processes, occupational health and safety hazards can be identified, assessed and managed. If the source of hazard cannot be effectively controlled via the aforementioned method,

appropriate and properly maintained personal protective equipment and teaching materials related to such hazardous accidents and risks shall be provided to employees. Employees shall be encouraged to raise safety concerns. Employees shall have the right to refuse unsafe operations and to report unhealthy working environment.

### **B2.-Emergency Preparedness**

Suppliers shall identify and assess potential emergency situation or events, and shall also establish and implement emergency response plan and mechanism, in order to reduce harm to lives and damages to environment and properties at the maximum extend, including but not limited to: emergency reporting, evacuation plan, employee training and drill, appropriate fire detection and fire extinguishing equipment, and adequate evacuation facilities, etc. Emergency drill shall be performed at least once annually, or shall be performed according to the local regulatory requirements, whichever is stricter shall be performed. The emergency plan shall include firefighting and fire extinguishing equipment, clear emergency exit, adequate escape exit facility, emergency evacuation assembly spot, emergency response personnel contact information and recovery plan complying with the regulatory requirements. All of these plans and procedures shall focus on the reduction of hazards to lives, environment and properties as much as possible.

### **B3. Occupational Injury and Illness**

Effective mechanisms shall be established to prevent, manage, track and report occupational injuries and illness, including but not limited to: encouraging employee reports, classifying and recording cases of occupational injuries and illness (including near-miss events and illness), providing necessary treatment, investigating cases and adopting corrective measures in order to eliminate the root cause and assisting employees to resume their job positions. In addition, suppliers shall provide emergency rescue equipment and first-aid boxes of sufficient quantity, in order to provide medical services to injured or ill workers.

### **B4. Industrial Hygiene**

Suppliers shall adequately identify, assess and control impacts caused by chemicals, biological and physical agents contacted by employees according to relevant laws and system requirements, and shall also actively seek solutions for eliminating and reducing such concerns along with proper implementation of such solutions. In case where the hazard cannot be eliminated or mitigated, such concerns shall be eliminated or controlled via appropriate design, engineering and administrative control measures. For hazards that cannot be eliminated or controlled in any way, appropriate and properly

maintained personal protective equipment shall be provided to employees, and it is also necessary to ensure that employees understand the use requirements of the protective equipment and receive necessary education and training.

#### **B5. Physically Demanding Work**

Suppliers shall properly identify, assess and control hazards of physical labor works on employees, including the works of manual transportation of materials, repetitive lifting of heavy objects, long-term standing and assembly works of high repetitiveness or high intensity. In addition, adequate and effective engineering control measures shall be established in order to reduce or eliminate heavy physical works.

#### **B6. Machine Safeguarding**

Suppliers shall assess the safety concerns of production equipment or other types of machines. To prevent harms caused by machines on employees, properly maintained physical protection equipment, interlock equipment and safety shield shall be provided.

#### **B7. Sanitation, Food and Accommodation**

Suppliers shall provide convenient and clean toilet facilities and clean drinking water to employees. The catering and storage facilities provided by suppliers shall comply with the local health standards. In addition, when accommodation is provided to employees, it shall be clean and complying with the local relevant safety standards. All public health, food and accommodation safety shall be properly maintained and managed.

#### **B8. Health and Safety Communication**

Suppliers shall implement occupational health and safety trainings in the native languages of employees. In addition, health and safety related information shall be posted at visible areas of the workplace.

### **C · Environmental Management**

Environmental protection is the essential core of sustainable development. Suppliers shall identify, establish, implement and maintain environment-related responsibilities and operations, including but not limited to: identifying the impact of its own operations and techniques on the environment, reducing negative impact on the community, environment and natural resources, and protecting the health and safety of the general public.

#### **C1. Environmental Permits and Reports**

All (including those required by the local government) necessary environmental permits (such as emission monitoring), registration, approval, monitoring reports and other documents shall be obtained. In addition, all of these permits and documents shall also be maintained and updated timely, and the operation and relevant report requirements of the permits shall be complied properly.

## **C2. Pollution Prevention and Resource Reduction**

Supplier shall prevent its operation from causing environmental pollution (including but not limited to water pollution, air pollution, light pollution, noise pollution). Through source management and responsible measures (such as installation of pollution prevention/control equipment, adjustment of production, optimization of techniques or relevant maintenance measures), in order to eliminate or reduce emission of pollutants and generation of wastes. Suppliers shall actively respond to resource saving initiatives (such as adjustment of production, optimization of techniques or relevant maintenance measures, replacement of materials, reuse of materials, resource saving, recycle or other methods) in order to decrease or reduce consumption of natural resources (including water, fossil fuel, mineral and original forest products).

## **C3. Hazardous Substance Management**

Suppliers shall identify, label and manage chemicals, wastes and other substances that may cause hazard to people and environment, and disposal thereof shall be made in accordance of relevant local regulations timely, in order to allow these substances to be processed, transported, stored, used, recycled or reused and disposed safely.

## **C4. Solid Waste**

Suppliers shall implement systematic management method to perform responsible waste management, including but not limited to identification, management and reduction of waste and to recycle non-hazardous waste with best effort.

## **C5. Emission**

Suppliers shall properly manage, reduce and responsibly control exhaust emission that is hazardous to the environment and generated from the operation. Volatile organic chemical substance, spray, corrosive substance, particulate matter, ozone-depleting substance and combustion by-product generated during the manufacturing and operation processes shall be properly classified, routinely monitored, controlled and treated according to the requirements prior to the emission of such substances. Suppliers shall also implement routine monitoring and testing on the performance of the exhaust emission control system.

## **C6. Materials Restrictions**

Supplier shall comply with relevant laws, regulations and customer requirements for certain specific substances (including recycle and disposal labels) restricted or prohibited from use in the product or during the manufacturing process. In addition, suppliers shall guarantee that for all products sold, the raw materials, dyes, solvents and consumables used comply with the special requirements on the content of the aforementioned substances specified by Primax. The content requirements of each type of substance is described in “QW-5Q002 Green Product Chemical Substance Restriction Specification”.

## **C7. Water Resource Management**

Suppliers shall establish water resource management plan, in order to record, classify and monitor water resources and its use and discharge status. Prior to the discharge or disposal of wastewater, classification, monitoring, control and treatment on the wastewater shall be rigorously implemented according to the local regulations and relevant environmental system requirements. In addition, routine monitoring and maintenance on the operation status of the wastewater treatment and control system (facility) shall be implemented, in order to ensure its optimal performance and compliance. Prior to discharge or dispose sewage generated from the operation, industrial procedure and sanitation facility, classification, monitoring, control and treatment of the sewage shall be implemented according to requirements. In addition, measures shall be adopted to reduce the generation of sewage. Participants shall also perform routine monitoring and control on the performance of the sewage treatment system.

## **C8. Energy Consumption and Greenhouse Gas Emissions**

Suppliers shall established the greenhouse gas (GHG) emission reduction goal, and the tracking, recording and public disclosure of the energy consumption as well as the Scope 1 and Scope 2 related GHG emission status shall be implemented according to the goal. Furthermore, suppliers shall actively seek methods to increase the energy efficiency and to reduce the energy consumption and GHG emission during the operation process at the maximum extend.

## **D · Ethics**

Primax has always adopted high standard of business ethical requirements to regulate internal management to engage in business cooperation. During the business operations of suppliers, including the aspects of various relationships, business conducts,



procurement and operation, all operations have always been ensured to comply with the code of ethics. Primax has established the “Procedures for Ethical Management and Guidelines for Conduct” as the basis for regulating the cooperation ethical standard between both parties. Suppliers are requested to consider requirements of all relevant laws and industry norms in order to establish a comprehensive business ethics management mechanism, thereby achieving a higher business standard.

#### **D1. Business Integrity**

Suppliers shall adopt the highest integrity standard at all time, and any form of bribery, corruption, extortion, blackmail or dishonest behaviors shall be prohibited. All business dealings shall be transparently and accurately recorded on ledger and business records. Monitoring, record preservation and compulsory management measures shall be implemented, in order to ensure compliance with anti-corruption regulatory requirements.

#### **D2. No Improper Advantage**

It is prohibited to promise, provide, approve, give or accept any bribes or other forms of improper advantage, including promising, providing, approving, giving or accepting anything of value (either directly or indirectly through a third party), for the purpose of obtaining or retaining business, transferring business to others or gaining an improper advantage. Monitoring, record preservation and compulsory management measures shall be implemented, in order to ensure compliance with anti-corruption regulatory requirements.

#### **D3. information Disclosure**

Suppliers shall establish effective mechanism to prevent confidential or protected information from misuse, leakage, loss, alternation or unauthorized disclosure, obtaining or interview. Suppliers shall disclose information related to labor, health and safety, environmental practice, business activities, main framework, financial status and performance, etc. according to relevant laws and industry norms. Any falsification of records or deceptive reports of any actual operation status in the supply chain shall be prohibited.

#### **D4. Respect and Protect Intellectual Property Rights**

Intellectual property rights, technologies or experiential knowledge shall be respected. Technologies and relevant professional knowledge shall be managed based on the objective of intellectual property right protection, in order to ensure that no intellectual properties of trade secrets, trademarks, patents and works are disclosed during the

operation process. Furthermore, the security of customer information and supply chain related information shall be protected.

#### **D5. Fair Trade, Advertisement and Competition**

Fair trade, advertisement announcement and competition standards shall be adopted. Local business management regulations shall be complied, and it is prohibited to fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories or lines of commerce. Suppliers shall establish appropriate measures to protect customer data.

#### **D6. Identity Protection and Anti-Retaliation Policy**

Unless the law prohibits, suppliers shall establish relevant management mechanism to ensure that downstream suppliers and employees (feedback providers) are protected, and shall also ensure the confidentiality and anonymity of the reporter's identity. Suppliers shall establish communication mechanism for their employees, in order to allow them to report any questions without any concern on retaliation or revenge act.

#### **D7. Responsible Mineral Procurement**

Suppliers shall actively cooperate with the responsible mineral procurement implemented by Primax, and shall conduct due diligence on the sources of tantalum, tin, tungsten, gold etc...that in the products manufactured and shall monitor the supply chain, in order to ensure that the sources comply with the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" published by Organization for Economic Cooperation and Development (OECD) or equivalent and generally accepted due diligence framework. Suppliers shall register the due diligence information on Primax's green product management platform GP-Portal® for declaration and disclosure.

#### **D8. Privacy Protection**

The personal information of all personnel (including suppliers, customers, consumers and employees) having business dealings with the suppliers shall be protected, in order to satisfy the reasonable expectation on the privacy protection of the aforementioned personnel. During the collection, saving, processing, transmission and sharing of personal information, requirements of laws and regulations related to privacy and information security shall be complied with.

### **E · Management System**

Effective management system is essential to the implementation of sustainable development. Suppliers shall establish a management system related to the scope of the Code of Conduct. During the process of establishing the management system, it is necessary to ensure:

- Complying with requirements of relevant laws, regulations, industry norms and the Code of Conduct applicable to the business and product scope of the suppliers;
- Ensuring the capability of identifying and reducing relevant operational risks described in the Code of Conduct.
- Shall be continuously implemented to promote continuous optimization. Furthermore, an effective social responsibility management system shall include the following elements:

#### **E1. Effective System Planning and Management Objective**

- **Company's commitment on Social Responsibility Management**

Suppliers shall establish social and environmental responsibility statement in order to explicitly state the commitment made for compliance management and continuous improvement. The policy shall be approved by the highest responsible person of the company and publicly announced in local language.

- **Management Accountability and Responsibility** Suppliers shall designate management representative to executive management and has the responsibility and authority to manage social and environmental compliance requirements for the business.
- **Timely identification of Laws, Industrial and Customer Requirements** Applicable laws, regulations and customer requirements that apply to the facility shall be identified, monitored and understood timely.
- **Risk Assessment and Management** Suppliers shall implement effective process to identify and analyze potential risks (gaps in business processes) that could lead to noncompliance with labor, ethics, EHS (environmental , occupational health & safety) requirements.
- **Objectives and Strategies** Suppliers shall have written process to define objectives and targets, so as the implementation plans for achieving performance on its objectives and targets management.

#### **E2. Effective Implementation Management**

- **Communication and Training** Suppliers shall periodically organize necessary employee trainings for the implementation of social responsibility management. In addition, relevant policy, implementation, expectation and performance are expected to communicate with stakeholders.
- **Employee Complaint and Feedback** Effective grievance mechanism shall be established for employees to express their grievances and protect their rights regarding working conditions and terms of employment by open communication between management and workers. To ensure continuous improvement, Safety channels should be easy available and whistleblower confidentiality protected and prohibit retaliation

### **E3. Effective Self-Inspection Management**

- **Review and Evaluation** Periodic self-evaluation mechanism shall be established, in order to ensure that the current operation comply with the requirements of relevant social responsibility and environmental responsibility laws, regulations, industry norms and Primax Supplier Code of Conduct.

### **E4. Effective Corrective and Preventive Measures**

- **Corrective Measures** Mechanism shall be established to timely correct deficiencies found during the internal or external assessment, inspection, survey and review.
- **Files and Records** All operation records shall be ensured to be maintained and saved properly. Relevant document management shall be ensured to comply with the laws and requirements of the Company. In addition, relevant confidentiality clauses of privacy protection shall also be complied.

### **E5. Management Responsibility for Sub-tier Suppliers**

Mechanism for implementing social responsibility management on the sub-tier suppliers shall be established, including but not limited to conducting due diligence, periodically training and communication on social responsibility management requirements, implementing risk assessment and requesting for continuous improvement of the sub-tier suppliers.

## # Relevant References

“United Nations Convention against Corruption”

“Universal Declaration of Human Rights”

“United Nations Guiding Principles on Business and Human Rights”

“United Nations Global Compact”

“International Labour Organization Core Labor Standards”

U.S. “Foreign Corrupt Practices Act” (FCPA)

U.K. “Modern Slavery Act”

U.K. “The Bribery Act 2010”

“Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”

RBA (Responsible Business Alliance) “Code of Conduct - Responsible Business Alliance, RBA”