



Business Partner Code of Conduct

Vision and Culture

Chain-Ray's vision is to provide value to employees, customers, suppliers, and the whole of society. Our suppliers are seen as Chain-Ray's indispensable, loyal teammates, and we look forward to prospering with them.

Our culture principles are defined by all employees. The principles that best embody what Chain-Ray stand for are cautious and diligent, persistent, optimistic, positive, enjoyable and teamwork.

Core Principles

As an ethical company, our reputation is one of our most valuable assets and crucial to our continued success. Our policy is to comply with all applicable laws and regulations of the countries and regions in which we operate and conduct our business activities in an ethical, fairly, and environmental manner. We value fairness and integrity and respect each other. We have a responsibility to understand and follow legal and internal policy requirements that apply to our jobs.

We follow the "17 SDGs Seventeen Goals" proposed by the United Nations viewing it as our ESG guiding principles. Chain-Ray fully align with international sustainable trends integrating environmental friendliness, social care, and corporate governance principles into our operations and sustainability development plans. We aim at effectively reducing potential risks, enhancing operational efficiency, and understanding market trends and opportunities, ultimately achieving the goal of sustainable business operation.

While striving for excellence, we also assist our suppliers in continuous optimization. We expect our business partners to uphold all of the following standards of conduct and to be aligned with our values.

Ethical Conduct

We expect our business partners to support that all human beings should be treated with dignity and respect. We will all use reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services, and/or business relationships and will act diligently to help remediate any impacts that may occur.

- **Anti-discrimination** : We strive to promote diversity. We seek to create a culture that allows all workers to contribute their unique talents and skills to provide the best products and services to our customers. We are committed to recruiting, hiring, training, promoting, and otherwise treating workers without discrimination based on factors that are unrelated to our legitimate business interests.

We do not discriminate based on race, color, age, sex, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, creed, political affiliation, group affiliation, veteran status, protected genetic information, or marital status. In addition, we do not subject employees or prospective employees to discriminatory medical tests (including pregnancy or virginity tests) or physical examinations.

- **Humane rights and Legitimate business practices** : We support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuse, and we do not tolerate any form of corruption, extortion, and embezzlement. Hence, we conduct our business in consistency with fair practices in compliance with all applicable anti-trust laws.

We have adopted sound labor and employment practices and endeavor to ensure workers are treated following the applicable laws and regulations of the countries and regions in which it operates. Business partners shall not (neither directly nor indirectly) offer, provide or accept anything of value, money, or equivalent cash to influence an official act or to secure an improper advantage in order to obtain or retain business.

We prohibit the use of forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, enslaved or trafficked persons. This includes the use of intimidation, coercion, threats, kidnapping or fraud to transport, harbor, recruit, deploy or receive workers in order to obtain workers or services. In addition to prohibiting unreasonable restrictions on employees' access to and from the workplace, employees' freedom of movement within the workplace should also not be unreasonably restricted.

All work should be voluntary and employees should be free to leave at any time and have the right to terminate employment without penalty if the employee gives reasonable notice in accordance with the employee agreement. Employers may not withhold or otherwise destroy, conceal, or confiscate employees' identification such as government-issued identification or passports. Employers may withhold documents only if required by law. Even under these circumstances, workers may not be denied access to their identification documents at any time.



- Money laundering prevention : Business partners shall comply with international money laundering prevention regulation.
- Confidential information : We safeguard and only make proper use of confidential information, and ensure that applicable rights of partners, workers, and related intellectual property are protected.
- No Improper Gains: We do not commit, offer, approve, give, or accept bribes or any other form of improper gains (whether directly or indirectly through third parties) with the aim of obtaining or retaining business, transferring business to others, or gaining undue advantages.
- Intellectual Property: We respect intellectual property and protect the methods of conveying technology and production knowledge. Also, we safeguard the data of customers and suppliers.
- Privacy: We commit to reasonably protect the personal data and privacy of anyone with whom we conduct business, including suppliers, customers, consumers, and employees. We also safeguard customer project and product-related information, prohibit suppliers from directly contacting customers, and strictly adhere to the confidentiality provisions of contracts.

Fair Labor Policy

- Legal and good working conditions : We provide a workplace free of harsh and inhumane treatment, without sexual harassment, corporal punishment, mental or physical coercion of any kind, and without unreasonable restrictions on entering or exiting company-provided facilities. Furthermore, without harassment and discrimination for reasons such as gender, race, color, nationality, religion, age, or sexual orientation in our workplace. We avoid any sort of child labor in our business operations. The minimum age shall be according to national labor law, or if national law is insufficient, according to core standards of the international labor organization.
- Open communication channels : We respect the rights of our workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment.

Environmental Policy

All partners of Chain-Ray should seek ways to proactively address the environmental impacts, and ensure they comply with all applicable environmental laws, regulations, and standards.

The protection of Mother Earth is everyone's responsibility. With this in mind, Chain-Ray has long been reinforcing the humanistic spirit of honor and love for Mother Nature in both internal and external business conducts. Maintaining clean and sustainable earth for our posterity is our common mission.

- The Three Green Policies :
 1. Green products : All the materials used for our products are REACH and RoHS Compliant.
 2. Green packaging : When packaging products, we insist to follow the principles of low pollution, easy recycling and reducing consumption.
 3. Green manufacturing process : Do not use prohibited substances in any process of manufacturing.
- We conduct greenhouse gas inventories in accordance with ISO 14064-1:2018 standard. We also align with international trends to plan our Product Carbon Footprint, Carbon reduction targets, Renewable Energy, and the 2050 net-zero pathway.
- Advocate environmental protection : We strive to boost employees' awareness of environmental protection, energy conservation, and carbon reduction via relevant training and education. Therefore, we promote implementation of waste recycling in work environments as well as community environmental services such as cleaning beaches, cleaning mountains, and planting trees.
- Environmental Permits and Reporting: We ensure all necessary environmental permits (such as emission permit), approvals, and registration documents shall be obtained, maintained, regularly updated, and compliance with the operational and reporting requirements of the permits.
- Pollution Prevention and Resource Conservation: Pollution control devices shall be installed at the source, and efforts shall be made to improve production processes, maintenance, and facility procedures to minimize or eliminate the discharge and emission of pollutants as well as the generation of waste.

Practices such as improved production, maintenance and facility procedures, material substitution, recycling, reuse, conservation, or other methods shall be implemented to conserve the consumption of natural resources, including water, fossil fuels, minerals, and products from original forests.

- **Hazardous Substances:** Chemicals, waste, and other harmful substances that pose a threat to human health or the environment shall be identified, labeled, and managed to ensure proper and safe handling, transportation, storage, use, recycling, reuse, and disposal.
- **Solid Waste:** Participants shall implement systematic measures to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).
- **Emission Control:** Before the generation of volatile organic compounds, aerosols, corrosive substances, particulates, substances depleting the ozone layer, and combustion by-products in operational or manufacturing processes, they should be characterized, routinely monitored, controlled, and managed as required. Effective management of substances depleting the ozone layer shall be conducted in accordance with the Montreal Protocol and applicable regulations. Routine monitoring of the performance of emission control systems shall be carried out.
- **Material Restrictions:** Compliance with all applicable local laws and regulations, as well as customer requirements, is required to prohibit or limit the inclusion of specific substances in products and manufacturing processes.
- **Energy Consumption and Greenhouse Gas Emissions:** Establishing company-level greenhouse gas reduction targets and energy consumption goals, including tracking, recording, and publicly disclosing greenhouse gas emission reports. Methods should be identified to improve energy efficiency, minimize energy consumption, and reduce greenhouse gas emissions to achieve greenhouse gas reduction objectives.

Management System

- **Training:** We establish training programs for management and employees to implement participants' policies, procedures, and improvement goals, while meeting applicable regulatory requirements.
- **Preventing retaliation :** We provide a safe environment for employees to voice their complaints and opinions without fear of retaliation. Employees who have a job-related problem or report could go to their immediate supervisor or the human resources representative. Regardless of the type of misconduct reported, we will not tolerate retaliation against anyone who makes a report in good faith.
- **We expect to collaborate with our suppliers to optimize quality, whether it's in product design, materials, specifications, production processes, packaging, or transportation. Both parties are committed to quality improvement and implementing 8D reports and optimized solutions.**



- **Third-party Audit:** We value supplier feedback and the implementation of quality solutions by both parties. We work with independent, third-party auditors to perform rigorous assessment/ audit of our suppliers' performance in upholding our standards, ensuring effective quality improvement and risk management by both parties.
- **Supplier feedback and complaints:** We establish independent unit as a channel for supplier feedback and complaints. If suppliers detect any violations of laws, contractual agreements, ethical standards, or unfair treatment (or about to happen), they can report to us through the channel. The informant's information will be kept confidential to protect his privacy and rights.
- **Sustainability and mutual prosperity:** we invite our supply chain partners to participate in our Sustainability development and training courses, strengthen supply chain resilience align with global trends and customer needs, and jointly move towards the global 2050 net zero goal.