



# Supplier Code of Conduct

This Code applies to suppliers who provide products or services to Delton Technology and its subsidiaries and affiliates worldwide, collectively referred to as 'Delton Technology'.

Delton Technology has established a corporate social responsibility (CSR) management system in accordance with ISO14001, ISO4501, SA8000, ISO26000 and RBA standards, as well as other relevant regulations and standards. This Code has been developed to meet the CSR requirements of the Company's suppliers and is an essential part of the Company's supplier CSR agreement. Suppliers must establish a social responsibility policy that complies with laws, regulations, international standards, and demonstrates a commitment to continuous improvement.

In order to cooperate with us, our suppliers must comply with all applicable laws and regulations in the countries where they operate. We encourage our suppliers to adopt internationally recognized industry standards and best practices to continuously improve their CSR management. The Company reserves the right, with reasonable prior notice, to conduct an audit of the supplier's site to assess the supplier's compliance with this Code.

Delton Technology incorporates CSR into every aspect of its procurement process, including supplier certification, selection, performance evaluation, and annual audit. Delton Technology Company will increase purchase value for suppliers with good CSR performance and provide business cooperation opportunities. For suppliers with poor CSR performance, especially those who violate the red lines, Delton Technology requires rectification within a limited time frame. If the rectification cannot be completed within the time frame, the cooperation relationship will be cancelled, while purchase value will be reduced or business cooperation opportunities will be limited.

The Code comprises five parts: Labour standards, Health and Safety, Environmental Protection, Business Ethics, and Management Systems.

## **1.Labour standards**

1.1 Suppliers must respect internationally recognized human rights standards and refrain from participating in or supporting any human rights violations. It is important to respect the dignity, privacy, and rights of every individual.



## 1.2 Prohibition of Child Labour

[Red Line 1] Employment of child labor. Suppliers shall comply with all applicable local and national laws and regulations regarding the minimum legal working age and shall never recruit minors under 16. Where the local laws in relevant countries set a higher age for child labor, or a higher age for completion of compulsory education than 16 years, that higher age shall prevail. Suppliers shall protect student workers or apprentices in accordance with applicable laws and regulations, conduct rigorous due diligence on educational partners providing student workers, and protect the rights of student workers in accordance with laws and regulations to ensure that they are properly managed. Those under 18 must not perform any work that may endanger the health, safety or morals of children.

1.2.1 The Supplier must comply with all relevant laws and regulations regarding minimum working age, and must not use any form of child labor. Effective measures must be taken to prevent the wrongful recruitment of child labor.

1.2.2 The supplier must establish and maintain child labour remedy procedures in accordance with national laws and effectively communicate them to all employees. In cases where child labour is found, suppliers should support children in attending school until they are beyond the age of childhood.

## 1.3 Forced or Compulsory Labour

[Red Line 2] Forced labor. Suppliers shall ensure that all work is voluntary. Suppliers must not employ any form of slave (including modern slave labor), prison labor, indentured labor, or debt labor, nor impose any form of punishment or threat on workers for their involuntary work/service.

1.3.1 The supplier must ensure that all employees are employed voluntarily. They must not use or support the use of forced or compulsory labour, including prison or bonded labour, or any other forms of involuntary labour. The supplier must not use prisons or similar institutions as suppliers or subcontractors, and they must not require employees to pay a deposit or surrender identification documents at the time of employment.

1.3.2 The Supplier must not withhold any part of the worker's wages, benefits, property or documents to force the employee to work continuously for them.





1.3.3 Supplier employees have the right to leave the workplace after completing their standard working hours.

#### **1.4 Working Hours and Rest**

1.4.1 Suppliers must comply with all relevant laws and industry standards regarding working hours and rest.

1.4.2 The supplier must maintain accurate records of working hours, whether it uses a comprehensive working hour system recognized by local regulations or piecework.

1.4.3 The supplier must establish an effective mechanism to control overtime, ensuring that employees work voluntarily and that their physical and mental health is protected.

#### **1.5 Basic wage guarantee and social insurance**

1.5.1 The supplier must pay wages that meet at least the minimum wage standard set by the local government or the industry and provide the benefits stipulated by national law.

1.5.2 The Supplier is required to pay overtime wages as mandated by law.

1.5.3 At the time of hiring employees, the Supplier must provide written information in a clear and understandable format about their working conditions, wages, and pay schedule. Deductions from wages should not be used as a form of punishment, and any deductions must be clearly communicated to employees.

1.5.4 Payment of wages must comply with local government regulations and must not be delayed.

1.5.5 The Supplier is required to provide employees with social insurance, including industrial injury insurance, and pay the corresponding insurance premiums in accordance with the law.

#### **1.6 Establish a system to protect the rights and interests of employees.**

1.6.1 The supplier must establish rules and regulations to protect the rights and interests of employees in accordance with the law. These rules should cover working hours, rest and vacation, wage payment, labor discipline, dismissal, and other relevant matters. The supplier should also ensure that these rules are made available to employees in an appropriate manner, so that they can consult them at any time.



1.6.2 The supplier must establish a system for ensuring labour safety and health, strictly adhere to local labour safety and health regulations and standards, provide labour safety and health education, prevent accidents during work, and reduce occupational hazards.

### **1.7 Labour contract**

1.7.1 The supplier must sign a labour contract with the employee. The conclusion and modification of the labour contract must follow the principle of equality, voluntariness, and consensus through consultation, and must not violate the provisions of laws and administrative regulations.

1.7.2 The supplier must terminate the employee's employment contract in compliance with applicable laws and regulations. They must also provide written notification and compensation to all parties in advance, as required by law.

### **1.8 Protection of underage workers and female employees**

1.8.1 The supplier must not employ workers who are underage. If underage workers are employed, the supplier must provide labor protection in accordance with the requirements of laws and regulations. Underage workers must not be assigned to work in toxic or harmful positions, and must not be assigned to work at night.

1.8.2 Women should have the same employment opportunities as men, except for roles that are deemed unsuitable for women according to local regulations.

1.8.3 The supplier must not assign female employees to perform tasks that are considered taboo according to local laws during menstruation or pregnancy. This includes high or low temperature work, cold water operations, and other locally prescribed taboo labor.

1.8.4 The Supplier must not assign female employees to perform locally prohibited work, work extended hours, or work night shifts while breastfeeding a baby under one year old.

### **1.9 Disciplinary action**

1.9.1 The supplier must treat all personnel with dignity and respect. They must not engage in or support corporal punishment, mental or physical coercion, or verbal abuse, or treat employees in a rough and inhuman manner.

### **1.10 Non-discriminatory systems and practices**





1.10.1 Suppliers must not engage in or support discriminatory systems or practices based on race, national origin, religion, physical disability, sex, marital status, political affiliation, or age in matters related to employment, compensation, training opportunities, promotion, dismissal, or retirement.

1.10.2 Suppliers must respect employees of different races and religious beliefs and provide the necessary accommodations in accordance with local customs.

1.10.3 The Supplier must not allow any form of sexual harassment in the workplace, accommodation provided or managed by the Supplier, or any other premises. This includes threatening, abusive, exploitative, and coercive behaviour, whether it be physical, verbal, or postural in nature.

1.10.4 Under no circumstances should the Supplier request that an employee take a pregnancy or virginity test.

#### **1.11 Respect employees' rights to freedom of association and equal consultation.**

1.11.1 Suppliers must have organizations, such as trade unions, congresses, clubs, and other communication channels, capable of representing and safeguarding the legitimate rights and interests of employees. These organizations should be able to carry out activities independently and in accordance with the law.

1.11.2 Employees have the right to participate in democratic management and equal consultation through staff and workers' assemblies, representatives, or other forms, in accordance with the law.

1.11.3 The Supplier must ensure that personnel and workers' representatives who are members of workers' organizations are not discriminated against, harassed, coerced, or retaliated against for their membership or participation in trade union activities. Furthermore, employee representatives should be able to maintain contact with the employees they represent at the workplace.

## **2. Health and safety**

[Red Line 3] Occupational safety. It is strictly prohibited to expose employees, contractors, partners or other personnel who may be affected by their activities to the work environment that may immediately result in death, serious bodily injury and serious health damage.



## **2.1 Working conditions**

2.1.1 Suppliers are required to provide health and safety training to their employees in the local language and display relevant information in the workplace. This ensures that employees are fully aware of the risk factors associated with their work processes and working environment, and know how to minimize those risks.

2.1.2 The supplier is required to provide labour protection equipment in compliance with local regulations. They must also conduct regular health checks for employees working in hazardous conditions, provide special training for employees performing special operations, and require them to obtain special operation qualifications. Additionally, appropriate measures should be taken to protect the safety and health of female workers, especially those who are pregnant or lactating.

2.1.3 The supplier must establish necessary procedures and systems to prevent, manage, track, and report injuries and illnesses. They should also implement corrective actions to eliminate the effects and assist employees in returning to work.

## **2.2 Living conditions**

The supplier is responsible for providing employees with clean toilet facilities, drinking water, and hygienic food, storage, and dining facilities. The staff quarters should also be kept clean, safe, and provide a reasonable living space.

## **2.3 Emergency Preparedness**

The supplier is responsible for identifying and assessing potential emergencies, including but not limited to fires, explosions, fatal accidents, mass poisonings, etc., and minimize the impact on people, the environment, and property by implementing emergency plans and response procedures. These procedures should include emergency reporting, on-site first aid, notification and evacuation procedures, regular training and exercises, and recovery plans.

## **2.4 Absolute rule**

The Supplier must comply with the safety rules outlined below, ensure that all employees are aware of them and adhere to them, and monitor their implementation.

### **2.4.1 Aerial work**





- (1) Do not perform any work at high altitudes unless you are adequately trained and qualified.
- (2) When working at high altitudes, it is essential to wear suitable personal protective equipment.
- (3) Avoid walking or standing underneath lifted objects.
- (4) When working at height, do not throw tools or other items.

#### **2.4.2 Driving operation**

- (1) The use of a seat belt is mandatory for both drivers and passengers in any vehicle.
- (2) The use of a mobile phone while driving should be strictly avoided.
- (3) Refrain from surpassing the designated speed limit.
- (4) Avoid driving while fatigued.

#### **2.4.3 Live work**

Do not do live work without proper training and qualifications.

#### **2.4.4 Alcohol or drugs**

Never drink or take drugs while working.

### **3. Environmental protection**

[Red Line 4] Environmental pollution. It is strictly prohibited to discharge environmental pollutants that may or have caused serious impact, as well as illegal discharge of sewage and hazardous wastes. For example, discharge of toxic or harmful air and water, discharge of exhaust gas and wastewater of non-conforming treatment, chemical spills, release of toxic or hazardous substances from the plant, etc. It includes checking the supplier's penalties for no environmental punishment or suspension from work in the past one year, and no suspension of one month or more in the past three years on the IPE website.

#### **3.1 Environmental permitting and reporting**

The Supplier must obtain, maintain, and update all environmental permits, approval instruments, and registration certificates required by the regulations. They must also



promptly update them and comply with the operational and reporting requirements of the permits.

### **3.2 Product Environmental Requirements**

Suppliers must comply with all relevant laws, regulations and customer requirements that prohibit or restrict specific substances. This includes labelling for recycling and disposal.

All products must comply with environmental protection directives, such as RoHS, REACH, WEEE, and green packaging, as well as the environmental regulations of the target market countries and regions. All products must also be lead-free and have low toxicity to meet the requirements of relevant laws and regulations on chemical management and control of toxic and harmful substances.

### **3.3 Prevent environmental pollution**

Suppliers must identify and control hazardous chemicals and substances that may be released into the environment. This is to ensure that these substances are handled, transported, stored, recovered, reused, and disposed of safely. Any waste water and hazardous waste generated during production and operation must be classified, monitored, controlled, and treated in accordance with the relevant requirements before being discharged or disposed of. Prior to release, it is important to identify, monitor, control, and treat any volatile organic chemicals, aerosols, particulates, ozone, chemical consumables, and combustion by-products produced during operation.

### **3.4 Climate change**

3.4.1 The Supplier is required to implement a water resources management plan to record, classify, and monitor water resources, their use and discharge. The Supplier must aim to protect water resources and control pollution channels. All wastewater must be classified, monitored, controlled and treated as necessary before discharge or disposal. The Supplier must regularly monitor the health of its wastewater treatment and control systems to ensure optimal performance and compliance.

3.4.2 The Supplier is responsible for establishing the Company's GHG emission reduction target and developing a plan to achieve it. Suppliers must track, record, and report energy consumption and associated Scope 1, Scope 2, and Scope 3 greenhouse gas emissions in relation to GHG reduction targets and pathways to achievement. Suppliers are encouraged



to investigate methods for enhancing energy efficiency and reducing energy consumption and greenhouse gas emissions.

3.4.3 Suppliers must support preventive measures against environmental challenges, promote environmental responsibility, and encourage the development and dissemination of environmentally friendly technologies.

## **4. Business ethics**

[Red Line 5] Corruption and bribery. Suppliers are prohibited from engaging in any and all forms of bribery, corruption, extortion and embezzlement. Money laundering, non-competitive acts, illegal retaliation and support for illegal armed forces are strictly prohibited.

### **4.1 Honest and incorruptible**

The supplier must adhere to the standard of integrity in all business activities and refrain from engaging in any form of corruption, extortion, embezzlement, or money laundering. This is to prevent the supplier from being ordered to cease business operations or facing legal sanctions. Additionally, the supplier must not offer or accept bribes or any other form of improper benefits, including inappropriate gifts.

### **4.2 Intellectual property**

Suppliers must respect intellectual property rights and protect customer information when transferring technology, experience, knowledge or information.

### **4.3 Fair trade, advertising, and competition.**

Suppliers must establish systems for fair dealing, advertising, and competition, and take measures to protect customer information.

### **4.4 Identity protection and non-retaliation policy**

Procedures should be established to protect upstream suppliers and employee whistleblowers, ensuring the confidentiality and anonymity of their identities, unless prohibited by law. The supplier must establish communication procedures and disclose reporting channels, such as telephone and email, etc.

### **4.5 Conflict Minerals Procurement**

[Red Line 6] Those not in line with conflict minerals policy requirements.

We oppose the procurement of any illegal minerals that violate international regulations and human rights. This is in line with international conventions and industry initiatives such as the United Nations Global Compact, the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines for Responsible Mineral Supply Chains in Conflict-affected and High-risk Areas, and the Responsible Minerals Initiative (RMI). Our suppliers must not procure or use conflict minerals. They must also require their sub-suppliers to avoid conflict minerals and conduct due diligence on the sources of these minerals. Additionally, they should provide specific measures for due diligence.

## 5. Management of supplier social responsibility

[Red Line 7] Unsafe and unethical behaviors of supplier employees in the Company's territory that cannot be corrected or approved by Delton Technology.

5.1 Suppliers are required to implement CSR management on their suppliers and subcontractors. This involves establishing a CSR management system, conducting CSR risk assessments, managing CSR performance, conducting on-site CSR audits, and addressing any identified issues.

5.2 Suppliers should develop a CSR agreement with their suppliers and promote its signing to strengthen social responsibility management.

5.3 Suppliers shall consider CSR as a necessary condition or threshold standard in the certification and selection of new suppliers. If the CSR of new suppliers does not meet the requirements, they will not be approved.

5.4 Suppliers should promote and assist their partners in enhancing their CSR awareness and capabilities, and together promote the sustainable development of the industrial chain.

Delton Technology retains the right to interpret this Code.

  
**Group General Manager**