



SUPPLIER CODE OF CONDUCT

CHINA EUROPE CONNECTION (“CEC”) is committed to ensuring that working conditions in CEC supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. CEC’s suppliers, as well as their subcontractors, are required to fully comply with the laws, rules, and regulations of the countries in which they operate.

Suppliers are obligated to permit CEC representatives to conduct on-site assessments and/or monitoring visits, either with prior notice or without, to evaluate the supplier’s adherence to the expectations outlined in this code. To implement this Code, CEC expects its suppliers to adopt the management systems specified below. CEC retains the right to terminate its business relationships with any supplier who is unwilling or unable to comply with the requirements of this Code.

1. Honesty and Transparency. Suppliers shall be fully transparent when submitting to onsite assessments as well as maintain all accurate documentation necessary for demonstrating compliance with the Code. This includes full access to production facilities, employee records and employees for confidential interviews. Suppliers must not engage in bribery through payment or providing anything of value to any person for the purpose of securing an improper advantage for themselves or CEC.

2. Compliance with Laws, Regulations, and Published Standards. Suppliers shall comply with all applicable laws, codes, or regulations of the countries, states, and localities in which they operate. This includes, but is not limited to, laws and regulations relating to environmental, occupational health and safety, and labor practices.

3. Unauthorized subcontracting. Suppliers shall not engage any subcontractor to perform any work for CEC products without prior written approval, and only after the subcontractor has agreed to comply with this Code.

4. Occupational Health and Safety. Suppliers shall provide their employees with a safe and healthy working environment in order to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the supplier. Where factories provide or introduce worker housing, they will also ensure that the same basic standards of hygiene and safety are applied in any residential facilities they directly or indirectly provide.

5. Freely Chosen Employment. Suppliers shall not use forced labor of any form, whether in the form of prison labor, indentured labor, bonded labor, or other. In addition, labor shall never be obtained through slavery, human trafficking, or the use of coercion. There shall be no penalties or fines for declining overtime. Workers shall not be locked inside of factory premises for any reason. Workers shall not be required to hand over any government-issued identification, passports, or work permits as a condition of employment. The supplier is responsible for employment eligibility fees of all workers, including recruitment fees.

6. No Child Labor. Suppliers shall not use child labor at any stage of manufacturing. Workers shall be at least the minimum age for employment in that country or the age for completing compulsory education in that country, whichever is higher. In no event shall a worker be less than 15 years of age in accordance with ILO Minimum Age Convention No. 138. Young workers under 18 years of age shall not perform work likely to jeopardize their health, safety or development, also in accordance with ILO Minimum Age Convention No 138.

7. Harassment or Abuse. Suppliers shall treat each employee with dignity and respect. Suppliers shall be committed to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, or verbal abuse.

8. No Discrimination. Suppliers shall not discriminate against any worker based on gender,

race, colour, age, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, or marital status in its hiring and employment practices such as promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination and retirement. Suppliers shall not require a pregnancy test as a condition of employment.

9. **Freedom of Association.** Suppliers shall recognize and respect the right of workers to form and join trade unions and other worker organizations and participate in collective bargaining without fear of harassment, interference, or retaliation. Where the right to freedom of association and collective bargaining is restricted under law, the supplier allows the development of parallel means for independent and free association and bargaining.

10. **Grievance Mechanisms.** Suppliers shall also develop effective, respectful, and transparent grievance mechanisms to resolve disputes, complaints and ensure effective communication between employees, employee representatives and management. Workers shall be able to raise concerns confidentially, anonymously, and/or directly, without fear of reprisal or retaliation. Suppliers must properly respond to employees' concerns.

11. **Working Hours.** Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall be legal and not exceed 60. Suppliers shall record all overtime hours worked and be able to demonstrate they are consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Workers shall be entitled to at least a 24 hours continuous period of rest during any seven-day period.

12. **Wages and Benefits.** Suppliers shall pay workers for all work completed and at least the minimum wage required by law or the prevailing industry wage, whichever is higher. Suppliers shall also provide all legally mandated benefits. There shall be no deductions of wages for disciplinary purposes. Where compensation does not meet workers' basic needs and provide some discretionary income, each supplier shall strive to progressively realize a level of compensation that does.

13. **Environmental Practices.** Suppliers are encouraged to adopt responsible measures to mitigate negative impacts that the workplace has on the environment. Suppliers shall comply with all environmental laws and regulations applicable to their operations worldwide. Such compliance shall include, among other things, the following items:

- a. Obtaining and maintaining environmental permits and timely filing of required reports.
- b. Proper handling and disposition of hazardous materials.
- c. Monitoring, controlling, and treating emissions and discharges generated from operations.

14. **Animal Welfare:** Suppliers shall respect and commit to promoting ethical animal welfare practices with a focus on the five freedoms. We believe that all such animals, while taking it into account their species' needs, should benefit from freedom from thirst, discomfort, pain, injury or disease, fear and distress and have the freedom to behave naturally.

ACKNOWLEDGEMENT

By signing below, the undersigned does hereby agree and acknowledge that it has received and reviewed the attached Supplier Code of Conduct and agrees to be bound by and subject to the terms and conditions thereof.

NAME:

TITLE:

DATED:

COMPANY STAMP: