

Supplier Social Responsibility Code of Conduct of Goertek

As a technological innovation-based enterprise with global distribution, Goertek Inc. adheres to the concept of one-stop service to create more values for its clients. Goertek is deeply involved in the upstream and downstream of the industrial value chain, and it has reached stable, close and long-term strategic partnership with internationally renowned clients in the consumer electronics field. Goertek has built the precision machining and intelligent manufacturing platform, which is highly vertically integrated in the value chain, to provide the clients with all-round services.

In combination with CSR audit and certification standards for Goertek's suppliers, Suppliers Social Responsibility Code of Conduct of Goertek (hereinafter referred to as "the Code") is drafted in line with the requirements of clients and with reference to the Responsible Business Alliance Code of Conduct. Goertek requires its suppliers to comply with all applicable laws and regulations in their registration and operation countries/regions, and regard it as a precondition to cooperate with Goertek. Suppliers shall establish and maintain effective labor, EHS and business ethics management systems, and continuously improve them, and it encourages the suppliers to adopt internationally recognized industry standards and best practices in the industry, and continuously improve CSR management levels.

On condition of any reasonable notice, Goertek is entitled to conduct an audit of the Supplier's site to assess the latter's compliance with the Code. Goertek incorporates CSR into the entire procurement business process, including certification for the Suppliers, selection, material selection, daily management, performance evaluation, and quitted full life cycle management, and incorporates CSR into performance assessment on the Suppliers. For any supplier who fails the CSR performance assessment, especially those violating the CSR red line requirements, Goertek requires it to rectify within a time limit, reduce the purchase share or restrict business cooperation opportunities, and the cooperation relationship may be cancelled in the worst case.

The Code applies to the Suppliers providing the products and/or services to Goertek Inc.

and/or the subsidiaries and affiliates worldwide of Goertek Inc. (collectively called “Goertek”), and clearly defines Goertek’s expectation for compliance with the Code. The Code applies to all employees of Goertek’s Suppliers, including temporary workers, foreign workers, apprentice workers, student workers, contract workers, direct employees and other types of workers.

The Code includes five sections, i.e., Labor, Health and Safety, Environment, Business Ethics, and Management System.

1. Labor

1.1 Freely Chosen Employment

Suppliers must ensure that all their employees work voluntarily and that they shall not employ any form of slaveries (including modern slave labor), forced labor, debt-repaid labor, human trafficking or prison labor. Suppliers shall not restrict personal freedom nor withhold identity documents (such as ID cards, passports, original travel documents, etc.). Suppliers must provide all employees with written employment agreements in the native language of such employees. Suppliers shall not traffic human beings, including prohibition to deliver, harbor, recruit, transfer or receive such labor or services by means of threats, coercion, constraint, abduction or fraud nor to require the employees to pay deposits, recruitment fees or other fees to any employer or agent. If any employee is found to have paid such fees, related fees shall be returned to the employee.

Suppliers shall ensure that their third-party recruitment agents abide by the Code and legal provisions.

1.2 Young Workers

1.2.1 Suppliers shall only employ the employees who are at least 15 years old or reach the applicable legal minimum working age or the applicable age for completing compulsory education, whichever is the highest age limit. If any child labor is found, related remedies must be provided as required by laws.

1.2.2 The employment of any employee over the legal minimum working age but under the age of 18 shall not prevent him/her from receiving compulsory education, and the work nature or environment shall not be likely to damage his/her health, personal safety or

morality. Underage labors cannot be arranged to work overtime and night shifts.

1.2.3 Suppliers shall employ and protect student workers or apprentice workers in compliance with applicable laws and regulations, especially child labor and underage labor that may occur.

1.3 Working hours

According to research in business practice, employee overwork is significantly associated with decreased productivity, rising turnover, and increasing number of injuries. Employees' work hours cannot exceed the maximum hours stipulated in local laws. In addition, unless under emergency or exceptional circumstances, the weekly working hours (including overtime) shall not exceed 60 hours. All overtime must be voluntary behavior. Employees shall take at least one day off every seven days.

1.4 Wages and Benefits

Remunerations paid by Suppliers to the employees shall comply with all applicable laws, including various laws related to minimum wages, overtime wages and statutory benefits. Suppliers shall pay employees wages in full and on schedule, and provide clear and readily understood payrolls, and shall not deduct the wages as a means of disciplinary punishment. Any use of temporary, dispatched and outsourced workers must comply with local legal restrictions.

1.5 Humane Treatment

Suppliers shall not conduct severe inhumane acts of violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, psychological harassment, public humiliation or verbal insulting of the employees; nor threaten to implement any such conduct, search bodies illegally or by opposite sex.

1.6 Non-Discrimination

Suppliers shall not discriminate the employees in employment acts such as hiring, remunerations, promotions, rewards, training opportunities, and dismissal due to race, skin color, age, gender, sexual orientation, gender identity and expression, nationality, ethnic group or ethnicity, disability, pregnancy, religious beliefs, political affiliation, association

membership, protected genetic information or marital status. Unless required by applicable laws and regulations, Suppliers shall not require the employees or prospective employees to receive any medical test or physical examination that may have any discriminatory purpose.

1.7 Freedom of Association

Suppliers shall respect the rights of all the employees to voluntarily establish and join labor unions, bargain collectively, negotiate and assemble peacefully, and refuse to participate in such activities in accordance with local laws. Employees and/or their representatives can communicate openly and express their opinions and concerns about working conditions and management practices with the management without fear of discrimination, retaliation, threat or harassment.

2. Health and Safety

Suppliers shall identify, assess and manage occupational health and safety hazards by means of hazard elimination, replacement, engineering control, administrative control processes and/or prioritization of personal protective articles, and provide and maintain safe and healthy working environment. Suppliers shall eliminate any working conditions that may endanger life or health seriously, prevent any major fire or explosion accident as well as any fatal accident on the operation site.

2.1 Licensing and reporting

Suppliers shall obtain, maintain and update all necessary health and safety licensing, monitor/assess in line with the frequency as required by applicable regulations, and comply with related requirements.

2.2 Occupational safety

Suppliers shall identify, assess and reduce potential health and safety hazards (chemical, electrical and other energy, fire, vehicle and downfall hazards, etc.) that employees may encounter in the principle of hierarchical control, including elimination of hazards, process or material substitution, control through appropriate design, implementation of engineering and administrative control, preventive maintenance and safe work procedures (including lockout/shutdown), and provision of continuous occupational

health and safety training. If the hazards cannot be effectively controlled in the above methods, the employees shall be provided with appropriate, well-maintained personal protective articles and education materials about the risks that may result from the above hazards. In addition, appropriate measures must be taken to avoid any exposure of pregnant and breast-feeding women to high-risk work environment, to eliminate or reduce health and safety risks to pregnant/ breast-feeding women (including risks associated with their work tasks) caused by workplace, and to provide appropriate premises and facilities for breast-feeding women at the same time.

2.3 Emergency Preparedness

Potential emergencies and incidents shall be identified and assessed, and emergency plans and response procedures shall be drafted and executed to minimize the impact, including emergency reporting, staff notification, evacuation procedures, staff training and drills. Emergency drills must be performed at least once each year or as required by local laws (whichever is stricter). Emergency plans shall also include appropriate fire detection and fire-fighting equipment, unblocked exit channels, adequate exit facilities, contact information for emergency personnel and recovery plans. Any major fire and explosion accidents shall be prohibited, and fatal accidents shall be prohibited on the operation site.

2.4 Occupational Injury and Illness

Procedures and systems shall be prepared to prevent, manage, track and report work-related injury and illness, including the following provisions, i.e., encouraging employees to report, classifying and recording work-related injury and illness cases, providing necessary medical services, investigating cases and taking remedies to eliminate the accident sources and assist the employees to return to work.

2.5 Industrial hygiene

Hazards to the employees from chemical, biological and physical factors shall be identified, assessed and controlled in the principle of hierarchical control. If any potential hazard is identified, Suppliers shall look for the opportunities to eliminate and/or reduce the potential hazard. If any elimination or reduction of the hazard is infeasible, the potential hazard shall be controlled through appropriate design, engineering and administrative

control measures. When hazards cannot be adequately controlled by means of these measures, appropriate and well-maintained personal protective articles shall be equipped to and used by the employees free of charge. Protection plans shall persist and include risk education materials concerning these hazards.

2.6 Physically Demanding Work

The impact of physically demanding work on the employees, including manual handling/material loading and unloading and repetitive heavy lifting, prolonged standing, and highly repetitive or punchy assembly work, shall be identified, assessed and controlled.

2.7 Machine Safeguarding

Safety risk assessment shall be conducted for production machinery and other machinery. Physical protective devices, interlocks and barriers shall be equipped and properly maintained for the machinery that may cause injury to the employees.

2.8 Sanitation, Food, and Housing

Suppliers shall provide the employees with clean restroom facilities, drinking water and sanitary facilities for food preparation, storage and dining. Staff dormitories shall be kept clean and safe with appropriate emergency exits, hot water for bathing, adequate light, heat and ventilation, separate safety cabinets for storing personal belongings and valuables as well as reasonable private space for easy access.

2.9 Health and Safety Communication

Suppliers shall provide the employees with health and safety information concerning the workplace, and training in the employee's native language or any language that the employees can understand so as to correctly recognize the hazard signs of the workplace they contact, including but not limited to mechanical, electrical, chemical, fire and physical hazards. Suppliers shall clearly post health and safety information in the plant or any prominent location where the employees can see it. Suppliers shall provide the employees with pre-job training before work starts and train them regularly after work starts. Suppliers shall encourage the employees to raise any health and safety concerns without fear of attack or retaliation.

3. Environmental

Suppliers shall recognize that environmental responsibility is an important part of producing world-class products. Suppliers shall identify environmental impacts in the production and operations and minimize adverse impacts on communities, environments and natural resources, and safeguard the health and safety of the public at the same time.

3.1 Environmental Permits and Reporting

Suppliers shall obtain, maintain and update all required environmental protection permits, including but not limited to environmental permits (such as discharge monitor), approvals and registration certificates, and comply with applicable permits and environmental operations and environmental reporting requirements stipulated in related laws and regulations. Illegal discharge of toxic and harmful pollutants is prohibited, including waste water, waste gas or waste residue.

3.2 Pollution Prevention and Resource Reduction

Suppliers shall take measures to reduce or eliminate pollutant emissions, releases and waste occurrence from the sources, such as adding pollution control equipment, improving production, maintenance and facility processes or taking other measures. Measures shall be taken to use natural resources moderately, including water, fossil fuels, minerals and primitive forest wood, such as improvement of production, maintenance and equipment processes, use of alternative materials, reuse, resource conservation, adoption of recycle strategies or other methods.

3.3 Hazardous Substances

Chemicals, wastes and other materials, which may cause hazards to humans or the environments, shall be identified, marked and managed to ensure their safe treatment, movement, storage, use, recycle or reuse and disposal.

3.4 Solid Waste

Suppliers shall take the system approach to identify, manage, reduce, responsibly dispose of or recycle solid wastes (non-hazardous wastes).

3.5 Air Emissions

The volatile organic chemical substances, sprays, corrosive substances, suspended particles, ozone-depleting substances and combustion by-products generated in the production and operation processes shall be classified, routinely monitored, controlled and treated as required before discharge. Ozone-depleting substances shall be effectively managed in compliance with the Montreal Protocol and applicable ordinances. The running state of air emission control system shall be routinely monitored.

3.6 Materials Restrictions

Suppliers shall comply with relevant laws, regulations and clients' requirements regarding the prohibition or restriction of certain substances in products and during the manufacturing process (including recycle and disposal marking).

It shall include but be not limited to the following:

2011/65/EU • Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS);

94/62/EC • Directive on Packaging and Packaging Waste and Its Revisions;

2013/56/EU and 91/157/EEC EU • Directive on Batteries and Accumulators as well as Batteries and Accumulators Containing Certain Hazardous Substances;

(EC) No 1907/2006 EU • Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and its Revisions;

CPSIA 2008 • United States Consumer Product Safety Improvement Act of 2008 - Public Law 110-314;

CP65 U.S. • California 65 Proposal for Safe Drinking Water and Toxic Enforcement Act of 1986;

Ministry of Industry and Information Technology No. 32 Order (China) • Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products.

3.7 Water Management

Suppliers shall implement water management planning to record, classify and monitor water resources and their use and discharge status; seek to protect water resources and

control pollution channels. All the waste water shall be classified, monitored, controlled and treated before discharge or disposal. The running state of the wastewater treatment and control systems shall be monitored routinely to ensure optimum performance and compliance.

3.8 Energy Consumption and Greenhouse Gas Emissions

Suppliers shall set their reduction targets of greenhouse gas. Suppliers shall track and record energy consumption and greenhouse gas emissions with reference to reduction targets of greenhouse gas. Suppliers shall seek cost-benefit ways to improve energy efficiency, and minimize energy consumption and greenhouse gas emissions.

4. Ethics

4.1 Business Integrity

The highest standards of integrity shall be obeyed in all business communications. Suppliers shall adopt a zero tolerance policy and prohibit any and all forms of bribery, corruption, extortion and corruption.

4.2 No Improper Advantage

Suppliers shall not undertake, offer, grant, give or accept any bribes or other forms of benefits to obtain any illegal or improper advantage. This prohibition includes undertaking, offering, authorizing, giving or accepting valuable items directly or indirectly through any third parties in order to obtain or retain related business, or directly offer the business to anyone or obtain any improper benefits in other ways. Suppliers shall monitor, investigate, report, record, keep and execute related procedures to ensure the compliance with anti-corruption laws and regulations.

4.3 Disclosure of Information

Suppliers shall accurately record the information related to their business activities, labor, EHS practices, and disclose such information to all interested parties as required by applicable laws without counterfeit or falsification.

4.4 Intellectual Property

Suppliers shall respect intellectual property rights, transfer the technology, experience, knowledge or information in the manner to protect intellectual property rights, and protect the security of clients' information.

4.5 Fair Business, Advertising and Competition

Suppliers shall adhere to the standards of fair business, advertising and competition.

4.6 Protection of Identity and Non-Retaliation

Unless prohibited by laws, various procedures shall be established and implemented to ensure to protect the suppliers and employee offence-reporters as well as the confidentiality and anonymity of such reporting. Suppliers shall set communication procedures for their employees so that the employees may raise any concerns without fear of attack or retaliation.

4.7 Responsible Sourcing of Minerals

Suppliers shall undertake and take reasonable actions to prevent the mining and trade of tantalum, tin, tungsten, gold, cobalt and other metals contained in their products that directly or indirectly facilitate illegal armed conflict, or support human right violations, damage the environment or have any behavior with health and safety hazards or other high-risk activities. Suppliers shall conduct due diligence on the source, processing and production and marketing supervision chain these minerals, and provide necessary due diligence information in line with the regulations or as required by the clients.

4.8 Privacy

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of all business personnel, including the suppliers, clients, consumers and employees. Suppliers shall comply with related privacy and information security laws and regulatory requirements when to collect, store, process, transmit and share personal information. Suppliers shall be aware of and conform to all privacy, data protection and information security requirements applicable to Goertek and the suppliers of Goertek.

5. Management System

5.1 Corporate commitment and management responsibilities

The top management of the Suppliers shall release the policy statement of corporate social responsibility in the local language, and undertake to comply with applicable laws and regulations, meet clients' requirements, comply with the requirements of the Code, and improve continuously. Suppliers shall set written performance objectives, indicators and implementation plans, and evaluate the implementation progress of the intended objectives at regular intervals, thus improving their own social and EHS performances.

Suppliers shall clearly designate a senior manager to take charge of corporate social responsibility, identify and control risks, conduct internal audit and management review periodically, establish internal assessment and accountability mechanism, incorporate corporate social responsibility into business processes, and promote continuous improvement.

5.2 Legal and Customer Requirements

Suppliers shall establish related procedures to identify, monitor and understand applicable laws, regulations and clients' requirements (including the requirements of the Code). Suppliers shall accept on-site audits arranged by the clients as required and disclose related information.

5.3 Risk Assessment and Risk Management

Suppliers shall identify corporate social responsibility related to their operations, legal compliance risks and possible impacts in accordance with applicable laws and regulations and clients' requirements (including the requirements of the Code), implement appropriate procedures and substantial control measures to control and minimize the risks and eliminate the impacts.

5.4 Training and Communication

Supplier shall develop and maintain the management and employee training courses to correctly implement their policies and procedures and achieve their continuous improvement objectives. Suppliers shall have related processes to clearly and accurately transmit the information about their performance, practices, policies and expectations to the employees, sub-suppliers and subcontractors. Suppliers shall have continual improvement

processes to obtain the feedback on practices related to the Code to promote continuous improvement.

5.5 Worker Feedback, Participation and Grievance

Suppliers shall have sustainable process, including effective appeal mechanism, to assess employees' understanding of the practices and conditions under the Code, obtain feedback or noncompliance, and promote continuous improvement. Suppliers must provide the employees with safe environment so that they can express discontent and provide feedback without fear of attack or retaliation.

5.6 Internal Audits and Management Reviews

Suppliers shall audit their own plants and their downstream suppliers at regular intervals to ensure compliance with related laws and the Code. Suppliers' senior management shall review the social responsibility management system of their own and downstream suppliers on a regular basis to ensure continued suitability, adequacy and effectiveness.

5.7 Corrective Action Process

Suppliers shall establish corrective action process to timely correct the procedure when any defect is found in internal or external assessments, inspections, investigations and reviews.

5.8 Documents and Records

Suppliers must keep corresponding documents and records to ensure compliance with related laws, regulations and rules.

5.9 Supplier Responsibilities

Suppliers shall have related procedures to transmit the requirements of the Code to their suppliers and monitor their compliance with the Code.

5.10 Performance and quality of CSR achievement and improvement

Goertek fully recognizes that corporate social responsibility is a long-term task, and its

achievements are difficult to highlight within a short term. Therefore, we believe that regular evaluation and continuous improvement of corporate social work are of great significance. Suppliers shall focus on sustainable development, and continuously improve the performance of corporate social work by means of the processes of formulating policies, implementation, recording and evaluation as well as selecting appropriate key performance indicators.