

E-BUSINESS INTERNATIONAL INC

Code of Conduct

for

Supplier and Third Party Intermediaries

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1. Introduction

E-BI Holdings Limited and each of its subsidiaries worldwide (“we”, “E-BI” or the “EBI”) are committed to the highest standards of integrity as well as corporate environmental and social responsibility. This Code of Conduct for Suppliers and Third Party Intermediaries (the “Code”) is a written statement of the core standards of behaviour for our suppliers and third party intermediaries (collectively, the “suppliers”). It aims to ensure and guide the suppliers’ full compliance with applicable laws and regulations of the locations where the suppliers operate, and that their businesses are conducted in an ethical and sustainable manner.

We prepared this Code based on the Responsible Business Alliance (RBA) Code of Conduct. E-BI expects all suppliers that provide goods and services related to the manufacturing process of E-BI to align their practices with the standards set out in the Code, and where not commercially feasible, to adopt as faithfully as possible practices that reflect the principles behind such standards, and put in place similar requirements for their own suppliers.

E-BI may conduct site visits and audits to evaluate the compliance status of the suppliers to the Code and the improvement progress of their sustainability performance. If major non-compliance with the Code is not justified or not remedied within a timeframe set by E-BI, we may exercise our right to suspend or terminate the business relationship with the supplier.

The word “including” or any variation thereof used in the Code means (unless the context of its usage requires otherwise) “including but not limited to,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it. Where imperative language (such as the word, “shall”) is used to describe the nature of the supplier’s duties and obligations, E-BI expects the supplier to use its best endeavours to comply with the relevant terms in the Code. In the event where a supplier may have genuine difficulty to comply with the terms fully, we may at our absolute discretion treat the supplier’s actions to put in alternative suitable practices that may best substitute the specific requirements in the Code as adequate and acceptable compliance.

Suppliers shall upon request, provide E-BI with evidence of policies, procedures, management systems and compliance mechanisms to demonstrate their compliance with this Code. We shall be entitled, by ourselves or through a third party auditor nominated by us, to audit Suppliers and their subcontractors, in order to ascertain the compliance with this Code.

Stakeholders of E-BI including its customers, suppliers, shareholders, employees and business partners are encouraged to report any suspected violations of the practices and conditions covered by this Code. The report can be submitted by email to owen.chen@e-bi.net.cn. All reports are kept confidential and if desired, will be handled on an anonymous basis.

E-BI reserves the right to review the contents of this Code. It may amend the Code from time to time so that it will remain relevant and compliant with all relevant laws and regulations, and be in line with prevailing market or industry practices and customs. All suppliers are required to comply with the terms of the amended Code upon receipt of E-BI's written notice of the issue of the amended Code or the later date (if any) specified in the notice.

If there are any conflicts or discrepancies between the Chinese and English version of the Code, the latter shall prevail.

In the event of any conflicts between the Code and local laws and regulations, the more stringent and onerous requirements shall apply.

2. Labour

Suppliers shall be committed to respecting and upholding the labour and human rights of workers by adopting the standards listed as follows. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

2.1 Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, modern slavery or human trafficking of persons are not allowed in our supply chain. All work must be voluntary, and workers shall be free to leave work without penalty if reasonable notice is given in accordance with the workers' contract. Employers, agents, and sub-agents shall not force workers to deposit their government-issued identification, passports, or work permits for recruiting requirement, or retain such documents for continuing employment.

2.2 Child Labour Avoidance and the protection of Young Workers

Child labour shall be banned in all stages of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country or region.

The term "young workers" refers to any worker under age of 18. Young workers shall not perform work that is likely to jeopardise their health or safety, including exposure to toxic and harmful chemicals or substances, physically demanding work, night shifts and overtime. Suppliers shall provide body check services for young workers in accordance with applicable laws and regulations. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Appropriate support and training shall be provided to student workers, interns and apprentices. Their wage rate shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

2.3 Working Hours

Working hours shall not exceed the maximum set by local laws. Except in emergency or unusual situations, a workweek should not be more than 60 hours per week including overtime. Workers shall have at least one day off every seven days, and be entitled to holidays, day off and annual leaves according to local laws and regulations.

2.4 Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wage, overtime hours and legally mandated benefits. Deduction from wages as a disciplinary measure shall not be permitted, and workers

shall be provided with a timely and understandable wage statement or related document that include sufficient information to verify accurate compensation for work performed.

2.5 Humane Treatment

Punitive elements in suppliers' policies and procedures shall be defined clearly and communicated to all workers including details about the disciplinary offences and the corresponding disciplinary measures. There is to be no harsh or inhumane treatment including violence, sexual harassment, sexual abuse, corporal punishment, and mental or physical coercion.

2.6 Non-Discrimination

Suppliers shall be committed to a workplace free of any form of harassment and unlawful discrimination, and shall evaluate workers based on their abilities and performances. Suppliers shall not engage in discrimination or harassment according to their race, colour, age, gender, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as wages, promotions, rewards, access to training, workload allocation, benefits, punishment, termination of employment, retirement. In addition, workers or prospective workers shall not be subject to discriminating medical tests.

2.7 Freedom of Association and Collective Bargaining

Suppliers shall respect the right of worker to engage in peaceful assembly, to join lawful trade unions, and to bargain collectively. Workers who engage in such activity or become a union member, shall not be punished, interfered or intimidated through measures such as termination of employment, limited promotion prospects, adverse salary adjustment, and unfavourable assignment of overtime schedule.

3. Health and Safety

Suppliers shall maintain a safe and healthy work environment according to the local laws and regulations. They shall aim to minimise the incidence of work-related injury and illness, and shall manage on-going collaboration with workers to identify and resolve health and safety issues. Suppliers are also encouraged to obtain certification from recognized management systems such as ISO 45001.

3.1 Occupational Safety

Potential exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) for workers are to be mitigated through proper design, engineering and administrative controls, preventive maintenance and safe work procedures (including lockout/tagout), and ongoing occupational health and safety training. Where these means may not mitigate such hazards, appropriate and well-maintained personal protective equipment (PPE), and educational materials about risks associated with these hazards shall be provided to the workers. Use of punitive measures to raise awareness of workers safety shall not be adopted. Suppliers shall conduct regular maintenance for their facilities, check whether there are potential safety hazards, and apply corrective measures to prevent accidents in the workplace.

3.2 Emergency Preparedness

The handling of emergency situations and events is to be planned, identified and assessed in advance, and their estimated impact is to be minimized by regularly reviewing and implementing emergency plans and response procedures. These include emergency reporting, employee notification and evacuation procedures, worker training, drills, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, and recovery plans. Suppliers shall prepare and provide adequate first aid kit for workers in operation facilities, in order to reduce the risk of complication of minor injuries.

3.3 Occupational Injury and Illness

Effective procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness. These may include provisions which:

- (a) encourage worker reporting;
- (b) classify and record injury and illness cases;
- (c) provide necessary medical treatment;
- (d) investigate cases and implement corrective actions to eliminate their causes; and
- (e) facilitate the return of workers to work.

In respect of air and sound pollution in the workplace, suppliers shall provide regular free body check services for workers in order to prevent occupational diseases.

3.4 Industrial Hygiene

Worker's possible exposure to hazardous chemical, biological, and physical agents is to be identified, evaluated and controlled. Proper design, engineering, and administrative controls are to be used to control potential hazards. Where such means fail to adequately control the hazards, appropriate and well-maintained PPE should be supplied to workers. The workers who are responsible for treating hazardous chemicals or substances, shall



be provided training programs about chemical disposal, emergency procedures and usage of PPE. Emergency equipment and material safety data sheet (MSDS) should be reasonably accessible at the chemical storage area.

3.5 Physically Demanding Work

Worker's possible exposure to the adverse health effects caused by physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled regularly.

3.6 Machine Safeguarding

Production equipment and other machinery shall be checked and tested for safety hazards. Physical guards, interlocks and barriers shall be provided and properly installed and maintained where machinery presents an injury hazard to workers. Maintenance manual of machinery and equipment in the facilities shall be prepared in the language of the worker or in a language the worker can understand, and maintenance workers shall perform regular maintenance in order to ensure such machinery and equipment can operate properly and as intended. Suppliers shall also maintain all relevant licences and permits for the use of special equipment. Workers handling such equipment shall hold relevant qualifications and pass examinations before carrying out their duties.

3.7 Sanitation, Food, and Housing

Workers shall have ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the suppliers are to be maintained in clean and safe condition, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges. Suppliers shall provide individually secured lockers for workers to store their personal items.

3.8 Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the workers or in a language the workers can understand in respect of all identified workplace hazards which workers are exposed to, including mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the commencement of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

4. Environmental

Environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize their adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public.

4.1 Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed.

4.2 Pollution Prevention, Resource Reduction and Biodiversity

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment, production modification, maintenance and facility processes, or by other means. The biodiversity and use of natural resources, including water, fossil fuels, minerals and virgin forest products, are to be conserved by practices such as production modification, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means. Suppliers shall promote environmental awareness to workers, including the principle of 3R (Reduce, Reuse, and Recycle).

4.3 Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment are to be identified, labeled and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Soluble toxic wastes shall be stored under waterproof and anti-leakage conditions, and handled by workers equipped with appropriate PPE.

4.4 Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste. Incineration or landfilling of solid waste shall only be carried out with proper authorisation.

4.5 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled and treated prior to discharge. If any substance emits toxic and harmful gas or dust, its container shall be sealed in order to prevent certain leakage.

4.6 Materials Restrictions

Suppliers shall observe and comply with all applicable laws and regulations, and E-BI requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal. Management's oversight shall be established to prevent the use of specific substances during incoming inspection, manufacturing process and shipment.

4.7 Water Management

Suppliers shall implement a water management program to:

- (a) document, characterize, and monitor water sources, use and discharge,
- (b) seek opportunities to conserve water, and
- (c) control channels of contamination.

All wastewater shall be characterized, monitored, controlled and treated as required prior to discharge or disposal. Suppliers shall routinely monitor the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. Drainage network shall be subject to visual inspection in order to understand and monitor the proper discharge of wastewater.

4.8 Energy Consumption and Greenhouse Gas Emissions

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions (as defined by the Greenhouse Gas Protocol jointly developed by World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)) are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Suppliers shall identify and adopt the most suitable methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

5. Ethical Standard

Suppliers and their agents are to uphold the highest ethical standards of business integrity and aim to foster a culture of compliance throughout the organization.

5.1 Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

5.2 No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure properly authorized acceptance of gifts in limited circumstances, accountability of the personnel involved and compliance with anti-corruption laws.

5.3 Disclosure of Information

All business dealings should be transparently performed and accurately reflected in the supplier's business books and records. Information regarding supplier's labour, health and safety, environmental practices, business activities, structure, financial situation, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

5.4 Intellectual Property

Supplier shall respect intellectual property rights, conduct transfer of technology and know-how in a manner that protects intellectual property rights, and safeguard customer and supplier information.

5.5 Fair Business, Advertising and Competition

Suppliers shall uphold proper standards of fair business, advertising, and competition.

5.6 Protection of Identity

Unless prohibited by law, suppliers shall have program to protect the confidentiality and anonymity of supplier and employee whistleblowers. Suppliers shall have a communicated process for their personnel so that they may raise any concerns without fear of retaliation.

5.7 Responsible Sourcing of Minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold ("3TG") as well as mica and cobalt used in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of human rights abuses in any area or country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals based on the Due Diligence Guidance for Responsible Supply Chains from Conflict-affected and High-Risk Areas issued by the Organisation for Economic Co-operation and Development. They shall also make available their due diligence measures to E-BI upon request.

Our Conflict Minerals Policy can be found on E-BI website.

5.8 Privacy

Suppliers shall commit to protecting the reasonable privacy expectations for the personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, shared and disposed of.

5.9 Supply Chain Security

To ensure a secured supply chain, suppliers shall adhere to all relevant trading laws and regulations, including the terms of the Customs Trade Partnership Against Terrorism program set up by the U.S. Customs and Border Protection if they have joined such program.

6. Management Systems

Suppliers shall adopt or establish a management system fully responsive to the principles and requirements in this Code. The management system shall seek to achieve:

- (a) compliance with applicable local laws, regulations and customer requirements related to the supplier's operations and products;
- (b) conformance with this Code; and
- (c) identification and mitigation of operational risks related to this Code.

The management system should be designed to allow and enable continual improvement.

6.1 Company commitment

Suppliers' own corporate social and environmental responsibility policy statements prepared in local language, shall affirm their commitment to compliance and continual improvement. The statements shall be endorsed by executive management.

6.2 Management Accountability and Responsibility

Supplier shall clearly identify senior executive and company representative(s) responsible for the implementation of the management systems and associated programs including the system referred to in the introduction of this section. Senior management shall undertake to review the status of the management systems regularly.

6.3 Legal and Customer Requirements

Suppliers shall have in place a process to identify, understand and monitor applicable laws and regulations and their related development, and E-BI requirements, including consulting E-BI on any specific requirements prescribed by this Code.

6.4 Risk Assessment and Risk Management

Suppliers shall have in place a process to identify the various types of risks in their operations including legal compliance, environmental, health and safety and labour practice and ethics. The process will help to determine the relative significance for each risk and implement the appropriate procedural and physical controls for managing the identified risks and regulatory compliance.

6.5 Improvement Objectives

Written performance objectives, quantitative targets and corresponding implementation plans shall be identified and where applicable, implemented to improve supplier's social, environmental, and health and safety performance, and shall at a minimum include periodic assessment of the supplier's performance in achieving those objectives.

6.6 Training

Suppliers shall provide training programs for managers and workers to implement their policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

6.7 Communication

Suppliers shall communicate through channels such as announcements, emails and press release, to provide clear and accurate information about their policies, practices, expectations, and performance to their workers, suppliers, business partners, customers and regulators.

6.8 Worker Feedback, Participation and Grievance

In order to foster continuing improvement, suppliers shall implement ongoing processes including an effective grievance mechanism, to assess workers' understanding of and feedback on the practices and conditions covered by this Code, and receive any reports of their violations. Workers shall have a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

6.9 Audits and Assessments

Suppliers are expected to conduct regular self-assessment to monitor conformity with legal and regulatory requirements, the content of the Code, and customer's contractual requirements related to social and environmental responsibility.

6.10 Corrective Action Process

After a supplier identifies deficiencies through internal or external assessments, inspections, investigations, and reviews, a regularly monitored and effective process of corrective action shall be adopted to address, mitigate, resolve or eradicate the identified issue.

6.11 Documentation and Records

The process and system of creation and maintenance of a supplier's documents and records shall meet the requirements of the applicable law and conform to its relevant internal policy requirements including applying the appropriate confidentiality measures to protect privacy as referred to in section 5.8.

6.12 Supplier Responsibility



A supplier will communicate the Code requirements to its own suppliers and monitor the latter's compliance with the Code or the supplier's own supplier code of conduct.