

Supplier Code of Conduct

October 2024

This *Supplier Code of Conduct* (the “Code”) is hereby formulated based on the *Code of Conduct* issued by the Responsible Business Alliance (RBA Code of Conduct, referred to as the “Code of Conduct” hereinafter). For more information, please visit:

<http://www.responsiblebusiness.org>). The *Code of Conduct* is designed to establish appropriate standards to ensure a safe working environment in supply chain as well as responsible and ethical operation with respect for human rights and the environment.

This *Supplier Code of Conduct* is also duly developed based on the fact that the suppliers are well aware of all business activities must be conducted in full compliance with the laws and regulations of the country/region in which they operate. We encourage the suppliers to not only comply with laws and regulations but also consult internationally recognized standards, thereby promoting their commitment to corporate social and environmental responsibility and respect of business ethics.

We expect our suppliers to endorse and adopt the *Code of Conduct* or similar standards, and deploy and implement the *Code of Conduct* and this *Supplier Code of Conduct* within the framework of their respective organizations as required. Meanwhile, the suppliers shall procure their upstream suppliers to be aware of and implement the standards and requirements for business conduct required by the *Code of Conduct*, which shall be ultimately recognized and adopted throughout the supply chain.

Hikrobot reserves the right, with reasonable notice, to inspect how the suppliers implement the *Code of Conduct*.

The *Supplier Code of Conduct* is made up of five sections:

Section A, B and C: Standards for Labor, Health and Safety, and the Environment, respectively. Section D: Standards relating to business ethics. Section E: Elements required for a system to supervise the compliance with the *Code of Conduct*. The details are specified as follows:

1. Labor

1.1 Free Choice of Employment

Forced labor, bonded labor, slavery (including modern slave labor), trafficked labor, or prison labor shall be prohibited. All work must be done on a voluntarily basis, and employees shall have the right to leave work or terminate their employment contracts at any time with reasonable notice. The employees shall not be required to pay any deposits or have their government-issued ID cards, passports or work permits confiscated by suppliers or employment agencies as a condition of employment.

1.2 Prohibition of Child Labor

Child labor shall be prohibited at any stage of the supply chain. "Child Labor" refers to individuals who are under the age of sixteen (or the higher age if the minimum age for work or the age of compulsory education under local law is higher than sixteen); or those who are employed under the minimum age for employment in the country/region (The individuals are considered to be children if any of these conditions are met). The apprenticeship programs for legitimate workplace that comply with all laws and regulations shall be excluded. All employees under the age of eighteen (18) shall not be permitted to perform work that is likely to be hazardous to the physical or mental health or safety of minors.

1.3 Working Hours

Research on business practices has shown that there is a clear correlation between employee fatigue and decreased productivity, increased turnover, as well as an increase

in injuries and illnesses. Accordingly, the suppliers undertake to comply with standard working hours in the industry under applicable laws and regulations. Except in extraordinary business, the employees shall not be required to work beyond the normal working hours and overtime limits permitted by local laws and regulations. The normal working hours for employees shall be 5 days x 8 hours/day = 40 hours/week (Monday to Friday), 8 hours on Saturday is calculated as overtime. Overtime shall not exceed 12 hours per week, 36 hours per month, or 3 hours per day. After working for six consecutive days, employees shall be entitled to at least one day off. In the event of any work beyond these limits, the approval from appropriate labor department at a higher level is required before implementation. All overtime work shall be compensated with additional pay.

1.4 Salary and Benefits

The salary paid to employees shall comply with all applicable laws and regulations, including those on minimum pay, overtime hours, overtime pay, and statutory benefits. Payroll deductions as a means of disciplinary action shall be prohibited. Salary slips or similar documents shall be promptly provided to employees as proof of salary payment.

1.5 Humane Treatment

The employees shall not be subject to harsh and inhumane treatment such as sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse; nor shall they be threatened with any such behavior. Definite disciplinary policies and procedures shall be duly established to support these rules and regulations and communicated to the employees.

1.6 Non-Discrimination

The suppliers shall undertake to protect their employees from harassment and unlawful discrimination. The suppliers shall not discriminate against their employees in the practices of recruitment and employment (such as promotion, rewards, and training opportunities) based on factors such as race, color, age, gender, sexual orientation,

ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status. In addition, the employees or potential employees shall not be forced to undergo discriminatory medical tests.

1.7 Freedom of Association

Open and direct communication between the employees and the management are the most effective way to address workplace issues and compensation concerns. The suppliers shall respect the rights of employees in accordance with laws and regulations, including right to the freedom of association, the right to join or not to join a labor union, the right to seek representation, and the right to participate in the staff council. The employees shall be able to maintain an open communication with the management about working conditions and management issues without fear of retaliation, threat, or harassment.

2. Health and Safety

The suppliers shall prioritize providing a safe and healthy working environment for their employees, eliminating any working conditions seriously hazardous to life or health, preventing any major fires or explosions, and avoiding fatal accidents in the workplace. Meanwhile, suppliers shall also recognize that ongoing employee engagement and education are key to identifying and addressing health and safety issues in the workplace.

The *Code of Conduct* has been drafted with reference to recognized management systems (such as OHSAS18001 and ILO guidelines on occupational safety and health), which are also useful sources of additional information.

The health and safety standards are specified as follows:

2.1. Occupational Safety

Potential hazards that the employees may encounter in the workplace (such as electrical and other energy sources, fire, vehicles, and fall hazards) shall be controlled

through proper design, engineering and administrative controls, preventive maintenance, safe operating procedures (including lockout/tagout), and ongoing safety training. If the sources of hazards cannot be effectively controlled through these methods, appropriate and well-maintained personal protective devices shall be provided to employees.

2.2. Emergency Preparedness

Emergency preparedness shall start with identifying and assessing potential emergencies and incidents, and then minimizing their negative impact by the implementation of emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, employee training and drills, appropriate fire detection and extinguishing devices, clear and unobstructed escape routes, adequate exit facilities, and recovery plans. These plans and procedures are designed to minimize harm to life, environment and property as much as possible.

2.3. Occupational Injuries and Illnesses

Procedures and systems shall be duly established to prevent, manage, track, and report occupational injuries and illnesses, including provisions for: (1) encouraging employee reporting; (2) classifying and documenting injury and illness cases; (3) providing necessary medical treatment; (4) investigating cases and implementing corrective measures to eliminate similar situations; and (5) assisting employees in return to work.

2.4. Industrial Hygiene

Hazards posed to the employees by chemical, biological, and physical factors shall be identified, assessed, and controlled. Excessive exposure to hazards shall be controlled through engineering and administrative measures. When the sources of hazards cannot be effectively controlled through these methods, appropriate plans for personal protective devices shall be duly established and implemented to protect the health of employees.

2.5. Physically Demanding Work

The impact on the employees engaged in physically demanding work, including manual handling of materials and repetitive lifting of heavy loads, prolonged standing, and highly repetitive or strenuous assembly work, shall be identified, assessed, and controlled.

2.6. Machine Protection

Hazard assessments shall be conducted on production equipment and other machinery. Physical protective devices, interlocks, and barriers shall be available for machinery that may cause injury to employees, and properly maintained as well.

2.7. Public Health, Food and Dormitory

Clean restroom facilities, potable water, sanitary food and storage facilities, and utensils shall be available to the employees. The dormitory prepared by suppliers or labor agencies for employees shall be kept clean, safe, with proper emergency exits, hot water for bathing, adequate heating and ventilation, reasonable personal space, and reasonable access control.

2.8. Health and Safety Communication

The suppliers shall ensure that the employees are offered workplace health and safety information and reasonable training to promote proper awareness of the hazard signs/labels in the work environment to which they are exposed, including, but not limited to, mechanical, electrical, chemical, fire and physical hazards. Relevant health and safety information shall be prominently displayed in the factory.

3. Environment

During the manufacturing process, the suppliers shall minimize adverse impact on the society, environment, and natural resources, while protecting public health and safety. The *Code of Conduct* was drafted with reference to recognized management systems such as ISO 14001 and the Eco-Management and Audit System (EMAS), which are also useful sources of additional information.

The Environmental standards are specified as follows:

3.1. Environmental Permits and Reporting

All necessary environmental permits (e.g., emission monitoring), approval documents, and registration certificates shall be obtained, maintained, and updated from time to time, with the permits to be appropriately handled and reported as required.

3.2. Pollution Prevention and Resource Conservation

All types of pollutants and wastes shall be reduced or eliminated at the source or through practices such as improved production, maintenance, and processes, alternative materials, conservation of natural resources, recycling and reuse of materials, and the consumption of natural resources shall be saved, including water and energy.

3.3. Hazardous Substances

Chemical and other substances that can pose a hazard when released into the environment shall be identified and controlled to ensure that they are handled, transported, stored, used, recycled or reused and disposed of in a safe manner

3.4. Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes, and sanitary facilities shall be categorized, monitored, controlled, and treated as required prior to discharge or disposal.

3.5. Air Emissions

Air emissions generated during operations, such as volatile organic compounds, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products, shall be categorized, monitored, controlled, and treated as required prior to emission.

3.6. Product Content Control

The suppliers shall comply with all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances (including labeling for recycling and disposal).

3.7. Water Resource Management

The suppliers shall implement a water management plan to record, categorize, and monitor water resources as well as their use and discharge; in an effort to seek protection of water resources and control pollution channels. Wastewater shall be categorized, monitored, controlled, and treated prior to discharge or disposal.

4. Ethics

In order to fulfill their social responsibilities and achieve success in the market, the suppliers and their agents are required to follow the highest ethical standards, including:

4.1. Integrity in Business

The highest standards of integrity and trustworthiness shall be upheld in all business interactions. The suppliers shall prohibit any and all forms of bribery, corruption, extortion, and misappropriation of public funds (including the promise, offer, giving or acceptance of any bribe). All business transactions shall be conducted in a transparent manner and properly reflected in the supplier's accounts and records. Monitoring and execution procedures shall be implemented to ensure compliance with anti-corruption laws.

4.2. Improper Gains

No bribes or other forms of improper gain shall be offered or accepted.

4.3. Transparency of Information

Information about business activities, organizational framework, financial status, and performance shall be disclosed in accordance with applicable laws, regulations and

prevailing industry practices. Falsification of records or misrepresentation of facts or operations is unacceptable.

4.4. Intellectual Property

Intellectual property shall be respected, and properly protected in the transfer of technology and know-how.

4.5. Fair Trading, Advertising, and Competition

Standards for fair trading, advertising, and competition must be upheld. Measures for protection of customer information must be in place.

4.6. Confidentiality of Identity

Procedures shall be duly established to protect and maintain the confidentiality of whistleblowers among suppliers and employees.

4.7. Responsible Mineral Sourcing

The suppliers shall establish policies to reasonably ensure that the products they manufacture do not directly or indirectly contain tantalum, tin, tungsten, and gold sourced from the Democratic Republic of the Congo or its neighboring countries, including Sudan, Uganda, Rwanda, Burundi, the United Republic of Tanzania, Zambia, Angola, the Republic of the Congo, and the Central African Republic. Otherwise, the suppliers must inform Hikrobot promptly.

5. Management System

The suppliers shall adopt or establish a management system that covers the scope and content related to the Code of Conduct. In the design of the management system, it is necessary to ensure: (1) compliance with laws, regulations, and customer requirements related to the supplier's operations and products; (2) compliance with the Code of Conduct; and (3) identification and mitigation of business risks associated with the Code of Conduct. In addition, the management system shall be well designed to promote continuous improvement.

The management system shall include the following elements:

5.1. Company Commitment

A company's social and environmental responsibility policy statement shall acknowledge the commitment of suppliers to compliance with the law and continuous improvement, and be signed by senior management

5.2. Management Responsibilities and Accountabilities

The suppliers shall explicitly designate a company representative to ensure the implementation of the management system and related programs. The senior management shall regularly review the operation of the management system.

5.3. Legal and Customer Requirements

The suppliers shall identify, monitor, and understand applicable laws and regulations (including the provisions of the *Code of Conduct*) and customer requirements.

5.4. Risk Assessment and Management

A process shall be duly established to identify the risks on environment, health, safety, and labor practices in connection with the supplier's operations. It is necessary to determine the level of each risk and implement appropriate procedures and substantive controls to ensure compliance and control over identified risks.

5.5. Improvement Objectives

Written performance objectives, indicators, and implementation plans shall be established to enhance the supplier's social and environmental responsibility performance, including regular assessments of the supplier's performance in achieving these objectives.

5.6. Training

Training programs shall be developed for management and employees to implement the supplier's policies, procedures, and improvement objectives, while meeting the requirements of applicable laws and regulations.

5.7. Communication

A process shall be established to clearly and accurately communicate the supplier's policies, practices, expected objectives, and performance to employees, suppliers, and customers.

5.8. Employee Feedback and Engagement

A program shall be developed to continuously assess the employees' understanding of the *Code of Conduct* and follow up their knowledge and feedback on the practices and provisions covered by the *Code of Conduct*, thereby promoting constant improvement.

5.9. Audit and Evaluation

The suppliers shall conduct self-assessments on a regular basis to ensure compliance with laws, regulations, the *Code of Conduct*, and the requirements for social and environmental responsibility specified in customer contracts.

5.10. Corrective Measures

A process shall be duly established to promptly correct deficiencies identified in internal and external assessments, inspections, investigations, and comments.

5.11. Documents and Records

The suppliers shall establish and maintain documents and records to ensure compliance with regulatory and corporate requirements, while properly protecting confidentiality.

5.12 Supplier Responsibility

The suppliers shall establish proper procedures to communicate the requirements of this Code to upstream suppliers and monitor their compliance with this Code.

All our suppliers are required to comply with the Supplier Code of Conduct as well as the local laws and regulations applicable to their business operations. We promote all suppliers to run their businesses in a transparent and constantly improving manner and ensure that relevant requirements are communicated throughout the supply chain. Any violation of this *Code* and any applicable laws, as well as the failure to implement necessary preventive and corrective measures, will result in severe consequences. If any

supplier fails to comply with the rules and requirements stipulated in this *Code*, Hikrobot will take appropriate action depending on the nature of the breach, including the immediate partial or total suspension or termination of its relationship with such supplier.

Should any supplier have any questions regarding compliance or find any potential violations, it is welcome to speak to the Hikrobot's Legal and Compliance Department at: Compliance@hikrobotics.com