



Ta Chen International, Inc.

5855 Obispo Avenue, Long Beach, CA 90805

Tel: 562-808-8000 Fax: 562-808-8101

SUPPLIER CODE OF CONDUCT

Introduction

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to Ta Chen International, Inc., ("TCI"). These principles apply to all aspects of TCI's business, and encompass all manufacturers, distributors, vendors, and other suppliers (each a "**Supplier**" and collectively "**Suppliers**") that supply the products that TCI sells.

These principles are reflected in this Code of Conduct ("**Code of Conduct**"), which establishes the minimum standards that must be met by any Supplier that sells goods to or does business with TCI, regarding:

- Supplier's treatment of workers;
- Supplier's compliance with supply chain laws and regulations;
- workplace safety;
- the impact of Supplier's activities on the environment; and
- Supplier's ethical business practices.

Poster Display Requirements

It is important that Supplier's workers understand Supplier's obligations under this Code of Conduct. Therefore, Supplier shall display a poster ("**Poster**") containing a summary of the terms and conditions of this Code of Conduct in a common area of each of its facilities where goods destined for TCI are manufactured, distributed, packaged or otherwise handled ("**Facility(ies)**").

Applicability

This Code of Conduct applies to all Suppliers that provide goods to TCI. Supplier is responsible for compliance with the standards set out in this Code of Conduct ("**Standards**") throughout its operations and throughout its entire supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall comply with the Standards in:

- all of its Facilities; and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labor, immigration, health, worker safety, and the environment.

Without limiting Supplier's obligations hereunder, Supplier is responsible for compliance with the Standards by all of its suppliers, vendors, agents, and subcontractors and their respective Facilities ("**Partner(s)**").

Supplier shall disclose to TCI the names and contact information of its Partners at least [NUMBER] days before TCI's delivery of any of its purchase orders. Supplier shall notify TCI



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the names and contact information of any new or former partners within [NUMBER] days of adding, changing, or eliminating any Partners.

Employment Practices:

Supplier shall comply with the following Standards relating to employment practices: all laws and regulations surrounding employment, labor, non-discrimination and human rights. All employment practices must meet or exceed the minimum legal requirements and are applied equally within the workplace.

Slavery and Human Trafficking

All labor must be voluntary. Supplier shall not support or engage in slavery or human trafficking in any part of its supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labor;
- labor to be performed by children];
- bonded labor;
- indentured labor; and
- prison labor.

Compliance and Documentation

Supplier shall:

- Implement and maintain a reliable system to verify the eligibility of all workers, including:
 - age eligibility; and
 - legal status of foreign workers.
- Comply with all laws and regulations relating to the Uyghur Forced Labor Prevention Act, the UK Modern Slavery Act of 2015, the California Transparency in Supply Chain Act of 2010, the 2015 trafficking and federal contracts regulations, and the Trade Facilitation and Trade Enforcement Act of 2015.
- Implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.

No Discrimination, Abuse, or Harassment

Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, color, national origin,



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gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Supplier shall treat workers with respect and dignity.

Supplier shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Supplier must not condone or tolerate such behavior by its Partners.

Health and Safety

Supplier shall provide a safe, healthy, and sanitary working environment. Supplier shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

Facilities

Supplier shall:

- ensure that all Facilities meet all applicable building codes and industry design and construction standards;
- obtain and maintain all construction approvals required by law;
- obtain and maintain all zoning and use permits required by law;
- without limiting Supplier's obligations hereunder, ensure that all Facilities have:
 - an adequate evacuation plan;
 - adequate, well-lit (including emergency lighting), clearly marked, and unobstructed emergency exit routes, including exits doors, aisles, and [fire-rated enclosed] stairwells;



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- a sufficient number of emergency exit doors, which are located on all sides of each building, are unlocked (from the inside), and are readily opened [with a push bar with minimal force and] from the occupied side and swing in the direction of emergency travel;
 - visible and accurate evacuation maps posted in the local language, and including a "you are here" mark;
 - adequate ventilation and air circulation;
 - adequate lighting;
 - adequate first aid kits and stations;
 - adequate fire safety, prevention, alarm, and suppression systems;
 - adequate access to potable water; and
 - adequate access to private toilet facilities.
- post safety rules, inspection results, incident reports, and permits, in each case, as required by law.

If Supplier provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the Health and Safety section of this Code of Conduct. Without limiting Supplier's obligations hereunder, Supplier shall obtain and maintain all food preparation permits and health certificates required by law.

Freedom of Association and Collective Bargaining

Supplier shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

Without limiting Supplier's obligations set out above, Supplier shall not:

- take any action to prevent or suppress the workers' exercise of freedom of association or collective bargaining rights;
- discriminate or retaliate against, or discipline or punish, any worker who supports or exercises freedom of association or collective bargaining rights;
- discriminate or retaliate against, or discipline or punish, any worker who raises collective bargaining compliance issues; or
- discriminate or retaliate against, or discipline or punish, any worker based on union membership or the worker's decision to join or not join a union.

Operation of Supplier's Facilities

Supplier shall operate its Facilities in compliance with all environmental laws, including laws and international treaties relating to:



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- waste disposal;
- emissions;
- discharges; and
- hazardous and toxic material handling.

Inputs and Components

Supplier must ensure that the goods that it sells or manufactures (including the inputs and components that are incorporated into the goods it sells or distributes) comply with all laws, tariffs and treaties and do not include or contain:

1. any Conflict Minerals as defined below Conflict minerals include the following: Cassiterite, Columbite-tantalite, Wolframite, Tin, Tantalum, Tungsten, and Gold;
2. any amount of primary aluminum smelted in Russia or any aluminum articles or aluminum derivative articles that are cast in Russia; or
3. any product or goods that were mined, manufactured, distributed or in any way used forced labor in violation of the U.S. Uyghur Forced Labor Prevention Act.

Supplier must ensure that it will only use packaging materials that comply with all environmental and wood packaging material laws and treaties.

Gifts and Entertainment

Supplier must maintain the highest ethical standards. Supplier must not offer cash, favors, gifts, or entertainment to TCI's team members. Supplier shall also comply with Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act policy.

Report Violations

Supplier shall self-report any violations of the Code of Conduct. Supplier can also submit questions and comments regarding the Code of Conduct, to TCI's liaison set out below:

Ta Chen International, Inc.

John Elsenheimer

Title: Vice President TCI - Corp

5855 Obispo Avenue

Long Beach, California 90805

Phone: 1-562-808-8081

Email: john_elsenheimer@tachen.com

Supplier shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior, or who has sought advice regarding this Code of Conduct.



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Compliance with Laws

Supplier shall comply with all applicable national and local laws and regulations, including laws and regulations relating to all the Standards. Where this Code of Conduct requires Supplier to meet a higher standard than set out by law or regulation, Supplier shall meet such higher standards. Supplier acknowledges that these Standards set out audit standards that TCI may use to determine whether Supplier is meeting the requirements set out in this Code of Conduct.

Supplier acknowledges that TCI may in its discretion conduct inspections of the Facilities to confirm Supplier's compliance with this Code of Conduct. TCI has no obligation to conduct inspections.

Termination

TCI may immediately terminate its business relationship (including any purchase order(s) and purchase contracts) with Supplier if Supplier or its Partners fail to meet the Standards.