

Castles Technology

Supplier Code of Conduct.

Introduction.

Castles Technology is an international company headquartered in Taiwan (each company and the headquarter, together, “Castles”). Castles, and its global customer base in consumer and business markets, have high standards about the conduct and work practices of Castles and its suppliers. Therefore, Castles Technology Supplier Code of Conduct (the “Code”) establishes standards for suppliers (referred to individually as the “Supplier” and collectively “Suppliers” in this document) to ensure compliance with the standards that Castles requires and which are essential for mutual growth. In particular, Suppliers shall ensure safe working conditions, treat its employees with respect and dignity, ensure all business operations are operated in an environmentally friendly and responsible manner, and conduct all of its activities ethically and in full compliance with all applicable laws, rules and regulations of the country in which the Supplier operates its business. The Code is a mandatory requirement on the Supplier by Castles. The Code shall be adopted by all organizations that design, sell, manufacture, or otherwise provide goods or services related to the manufacturing process of Castles. All Suppliers shall adhere to the Code and ensure all of their direct or indirect sub-suppliers related to assembly, components, raw materials and packaging comply with the Code.

The Code is based on the [RBA Code of Conduct](#). The global standards and guidelines established by organizations such as ILO and ISO may be used as the reference for the Code. The Code may be revised by Castles from time to time according to changes to Castles’ supplier management policy and the developing standards of Castles.

If there are any conflicts between the Code and any other local regulations, the higher standard shall prevail.

Labor and Human Rights.

Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, senior contract, direct employees, and any other type of worker. Workers must be legally entitled to work in the country in which they work, and must be granted the protections and rights granted to legal workers in that country.

1.1 FREELY CHOSEN EMPLOYMENT

All work must be voluntary. Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation.

Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Employers (Suppliers or Labor dispatch agencies) or Recruitment agencies shall not require workers to pay deposits or recruitment fees as part of their employment.

In addition, labor conditions must be provided in written form to the workers in the language that they are able to understand.

1.2 YOUNG WORKERS, CHILDREN

Child labor must not be used in any stage 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, whichever is greatest. If any child labor is detected, the Supplier shall immediately take required action steps. The Supplier shall immediately stop such child labor and improve the reviewing process regarding the age of the worker during recruitment. The use of legitimate student intern programs, which comply with all laws and regulations, is supported.

Young workers over the legal minimum age for employment may be hired, however, young workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers, including night shifts and overtime, or work longer hours than is permitted by local law.

1.3 WORKING HOURS

Castles recommends that working hours are not to exceed the maximum set by local law and that standard weekly working hours are not to exceed 48 hours based as it is stated by on ILO convention C001 on working hours. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations.

1.4 WAGES AND BENEFITS

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub, similar documentation or supplier intranet.

1.5 HUMANE TREATMENT

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers ; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

1.6 NON-DISCRIMINATION

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as wages, promotions, rewards, and or access to training.

In addition, unless medical tests are required for legal or safety reasons, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.



1.7 FREEDOM OF ASSOCIATION

In conformance with local law, Suppliers shall respect the right of all workers to form and join worker council or trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

2.2 HEALTH AND SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale.

Suppliers shall ensure to maintain safe and healthy working conditions according to the local laws and regulations.

2.1 OCCUPATIONAL SAFETY

Potential or actual worker exposure to safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified, assessed, and controlled through proper design,

engineering and administrative controls, preventative maintenance and safe work procedures (including lock out/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, and include reasonable accommodations for nursing mothers.

2.2 EMERGENCY PREPAREDNESS

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property

2.3 OCCUPATIONAL INJURY AND ILLNESS

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of injured or ill workers to work.

2.4 INDUSTRIAL HYGIENE

The exposure of workers to biological agents (e.g. chemicals used in manufacturing sites, etc.) and physical agents (e.g. high temperatures, radiation) are to be identified, evaluated and controlled according to the hierarchy of controls. Potential hazards are to be eliminated or controlled through proper design, engineering (e.g. the improvement of production facilities) or administrative (e.g. laws and regulations) controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, workers are to be provided with appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.

2.5 PHYSICALLY DEMANDING WORK

Worker exposure to the hazards of 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.

2.6 MACHINE SAFEGUARDING

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

2.7 SANITATION, FOOD AND HOUSING

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Working places are to be maintained to be clean and safe, and provided with appropriate emergency egress.

2.8 HEALTH AND SAFETY COMMUNICATION

Suppliers shall provide workers with appropriate workplace health and safety information and training in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to 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 shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

3. ENVIRONMENT

The Supplier shall control all of the environmental pollutants derived from its business activities, and use its best efforts to reduce its environmental impact when providing products and services to Castles. Suppliers shall adhere to laws and regulations related to chemical and waste management, recycling, wastewater and air emissions. If Castles requests environmental requirements related to a process such as product design and production in any agreements or contracts, Suppliers shall adhere to such requirements.



3.1 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.

3.2 POLLUTION PREVENTION AND RESOURCE REDUCTION

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals

and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

3.3 HAZARDOUS SUBSTANCES

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labelled and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal. Supplier shall comply with local laws and regulations prohibiting or controlling the use of particular chemicals and other materials.

3.4 SOLID WASTE

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

3.5 AIR EMISSIONS

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge according to local laws and regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.



3.6 PRODUCT CONTENT RESTRICTIONS

Suppliers are to adhere to all applicable laws, regulations and Castles requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

3.7 WATER MANAGEMENT

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be monitored and controlled to ensure optimal performance and regulatory compliance.

3.8 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

4. ETHICS

Suppliers are to adhere to all applicable laws and regulations in its business activities. To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents are to uphold the highest standards of ethics.

4.1 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.



4.2 NO IMPROPER ADVANTAGE

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted to ensure compliance with anti-corruption laws.

4.3 DISCLOSURE OF INFORMATION

All business dealings should be transparently performed and accurately reflected on Suppliers' business books and records. Information regarding suppliers' labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to 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.

4.4 INTELLECTUAL PROPERTY

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and Castles' proprietary information is to be safeguarded.

4.5 FAIR BUSINESS, ADVERTISING AND COMPETITION

Standards of fair business, advertising and competition are to be upheld.

4.6 PROTECTION OF IDENTITY AND NON-RETALIATION

Programs that ensure the confidentiality and protection of supplier and employee whistleblower are to be maintained unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

4.7 RESPONSIBLE SOURCING OF MATERIALS

In supply chain of Castles, Suppliers, at any rate, shall not use minerals (such as tantalum, tungsten, tin, gold, cobalt, etc.) and illegally timbered raw materials from any area, where it can cause serious human rights abuses and environmental destruction in the international community. Supplier shall develop a policy to ensure compliance with all relevant laws and regulations. Furthermore, Suppliers shall exercise due diligence on the source and chain of custody of these materials and make their due diligence measures available to Castles upon Castles' request.

4.8 PRIVACY

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

5. MANAGEMENT SYSTEM

The Supplier shall establish a management system in order to comply with the Code, applicable laws, regulations and other requirements of Castles or its clients, that integrates human rights and labor, health & safety, environment and ethics issues into the business decision making process. Such system shall include clear objectives and goals, regular monitoring and continuous improvement actions.

5.1 COMPANY COMMITMENT

A corporate social and environmental responsibility policy statement affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management, must be announced to all facilities of the Supplier in the local language of each facility.

5.2 MANAGEMENT ACCOUNTABILITY AND RESPONSIBILITY

The Supplier shall clearly identify company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

5.3 LEGAL AND CUSTOMER REQUIREMENTS

The Supplier shall establish and continue to operate at all times a process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code and shall comply with the same.

5.4 RISK ASSESSMENT AND RISK MANAGEMENT

The Supplier shall establish and continue to operate at all times a process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with supplier's operations.

Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5.5 IMPROVEMENT OBJECTIVES

Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of supplier's performance in achieving those objectives.

5.6 TRAINING

The Supplier shall establish and continue to operate at all times programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

5.7 COMMUNICATION

The Supplier shall establish and continue to operate at all times a process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, Suppliers and customers.

5.8 WORKER FEEDBACK, PARTICIPATION AND GRIEVANCE

The Supplier shall establish and continue to operate at all times processes, including an effective grievance mechanism to assess employees' understanding of and obtain feedback on violations against practices and conditions covered by this Code and to foster continuous improvement.

5.9 AUDITS AND ASSESSMENTS

The Supplier shall establish and continue to operate at all times periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

5.10 CORRECTIVE ACTION PROCESS

The Supplier shall establish and continue to operate at all times a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

5.11 DOCUMENTATION AND RECORDS

The Supplier shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy. The Supplier's adoption of and compliance with this Code must be documented, and relevant information must be promptly shared with Castles upon its request.

5.12 SUPPLY CHAIN PARTICIPATION AND RESPONSIBILITIES

All Suppliers in business relationship with Castles shall require, support and monitor sub-suppliers' compliance with this Code. Any violations of this Code within the supply chain may result in termination of Supplier's business relationship with Castles.

Document History

Version	Brief description of the change
V1.0	Document creation – June 2021
V1.01	Document revised by Legal – June 2021