

Ethical Business Policy

Code of Conduct

1. Introduction

Xindao is committed to ensure fair and ethical policies and practices in our Global Supply Chain. We are a socially responsible business and expect our partners to accept our Code of Conduct, which is essential to current and future cooperation.

Xindao's Code of Conduct is based on The United Nations Global Compact Principles.

Xindao is a member of Amfori-BSCI and in this capacity acknowledges the importance of social standards.

The Xindao Ethical Business Policy - Code of Conduct is applicable throughout the whole company and for all Stakeholders.

2. Definitions

Child Labour: any work involving a child, which is mentally, physically, socially or morally dangerous and harmful to children, prevents him or her from attending school or concentrating at school, or negatively impacts on the health, social, cultural, psychological, moral, religious and related dimensions of the child's upbringing.

Involuntary Labour: any work or service which people are forced to perform against their will, under threat of punishment.

Discrimination: all situations in which people are treated unequally, but specifically for those mentioned in the United Nations Global Compact principles.

Trade Union: A collective or gathering in which employees are organized to safeguard and improve their legitimate interests. The employer is not a member of this trade union.

Legitimate rights consist of, but are not limited to: wages, working hours, working standards, working conditions, sick leave, holiday leave.

3. Principles

The following principles and definitions apply in our Ethical Business Policy.

1. Child Labour

Xindao highly values the rights of children such as recognized in the United Nations Convention on the Rights of the Child.

Xindao does not use any child labour in any of our operations or facilities. We do not tolerate any form of unacceptable treatment of employees, including but not limited to the exploitation of children, physical punishment, abuse, or involuntary servitude.

We fully commit ourselves to applicable laws establishing a minimum age for employment, in order to support and create a world where child labour should be non-existent. No labour is allowed in any of our operations of facilities for children under 16
For office positions in The Netherlands, the minimum age is 18.

2. Involuntary Labour

Xindao values employees' rights to choose their own profession and resign from employment if they so desire. Performance of work should occur according to a job profile and may not exceed unreasonable demands.

No force may be used towards employees by resorting to violence, intimidation or illegal restriction of personal freedom, humiliation, corporal punishment, beating, illegally searching or detaining employees.

Employees shall have the right to be employed on an equal basis, choose occupations, obtain remuneration for their employ, take rest, enjoy holidays, obtain protection of occupational safety and health. Additionally, the latter shall receive training in vocational skills, enjoy social insurance and welfare, and submit applications for settlement of employee disputes, and other rights relating to employees as stipulated by law.

3. Wages and Working Hours

Xindao acknowledges the rights of Employees to receiving correct information and documentation according to legal requirements, relating to their employment.

Employees will receive a written contract on entering into employment.

The distribution of wages shall follow the principle of distribution according to equal pay for equal

work. Wages shall be paid weekly or monthly to employees themselves in the form of currency. The wages paid to employees shall not be deducted or delayed without justification.

Working hours shall comply with national laws and benchmark industry standards, and not exceed prevailing international standards. Weekly working hours should not on a regular basis exceed 48 hours. Workers shall be provided with at least one day off for every 7 day period.

Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement or approved by a Trade Union.

Workers shall receive overtime pay in accordance with relevant legislation.

4. Right of Trade Union

Xindao recognizes that every employee has the right to safeguard or improve their legitimate interests by participating in or organizing trade unions.

Participation in and organizing of trade unions should occur in accordance with the law and with respect to the ILO conventions of freedom of associations and trade union rights. Trade unions should independently conduct their activities in accordance with the law.

5. Equality and non-discrimination

Xindao strives to create a varied and balanced workplace, with space for employees of different backgrounds, ideas and skills. We believe all people should be treated with respect regardless of their differences.

Therefore there shall be no discrimination in the workplace in hiring, compensation, access to training, promotion, termination or retirement based on gender, race, class, economic status, ethnic background, sexual orientation, age, political beliefs, veteran status, marital status, or any other protected class.

For more information on this subject see our Health & Safety Policy and Recruitment Policy.

6. Health and Safety

Xindao is dedicated to maintain a safe and productive workplace by preventing and minimizing the risk of accidents.

Rules, laws, and standards set by the government on occupational health and safety must be followed and employees must be educated on occupational safety and health. Facilities must meet the standards stipulated by the government on occupational

health and safety. In the case of a negative report, health & safety standards need to be improved within a reasonable time frame.

Employees engaging in specialized operations must receive adequate training and acquire qualifications and certifications to perform these special operations. For more information see the Health & Safety Policy and the Career Training Policy.

7. Environmental Protection

Xindao values the protection of environment and implementation of CSR standards for improvement.

Environmental standards and procedures are set by Xindao according to relevant (national and international) legislation, standards and company policies. Goals which set on environmental standards for the future, need to be followed at all times. For more information see our Environmental Policy

8. Fair Business Practices

Xindao works strictly according to anti-corruption practices and does not tolerate any breach of these practices. More information on which practices Xindao identifies, the definitions and how we handle to preserve them and react to breaches can be found in our Fair Business Practices Policy.

4. Compliance

All Stakeholders of Xindao, as well as sister companies and subsidiaries need to comply with the Xindao Ethical Business Policy – Code of Conduct. Any violation of this Policy is considered a serious matter and will be acted on by Xindao.

Suppliers receive a copy of our Ethical Business Policy - Code of Conduct and BSCI documentation containing relevant standards to stress the importance of our policies. Suppliers can be subject to audits to determine conformity with this Policy.

In case of non-conformity, corrective actions will be suggested. In case of serious breaches and unwilling suppliers, business can be terminated immediately.

Statement concerning Ethical Sourcing

Date: 1-01-2020

At Xindao, we are aware of our responsibility towards implementing ethical sourcing practices.

Concerning business and corporate Ethics, Xindao distinguishes ethical and moral principles that can arise in a business environment. These ethics apply to the conduct of both businesses and individuals.

For Xindao ethical Sourcing means working according to standards set by various institutions, as mentioned in this report, to avoid materials that are heavily polluting, hazardous and obtained in conflict areas, and producers that trade in these materials or are involved in other unethical conduct.

At Xindao we follow our ethical sourcing standards, and we expect our suppliers and all sub-tier contractors to follow these same standards. Suppliers are responsible for performing due diligence to ensure these standards are met.

Xindao hereby states that:

- In dealing with our suppliers/vendors and partners we maintain a high ethical standard and do not involve ourselves with parties who infringe on our business ethics;
- Our products are free from conflict minerals tin, tantalum, tungsten and Gold as set out by the EU Conflict Minerals Regulation; REGULATION (EU) 2017/821 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 may 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas
- Our products are free from hazardous materials such as AZO (aluminium zinc oxide), Chromium VI, Formaldehyde and heavy metals;
- Our goal is to work with more suppliers/vendors and partners who uphold safety and environmental measures in their business and production standards, thus ensuring a safe and hazard free workplace and environment according to BSCI standards.

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