

CODE OF CONDUCT

INTRODUCTION

Zhongshan Zhanhong is an international manufacturer supplying customers across the world.

We are committed to manufacturing and sourcing all goods and services in a socially and environmentally sustainable manner. For Zhongshan Zhanhong, this means that the people, communities and natural environments that provide the products Zhongshan Zhanhong uses, buys and sells are treated fairly and responsibly. We seek long-term partnerships with both our customers and suppliers who share our values and who are committed to actively partner with us on our journey to improve our sustainability performance across our supply chain.

GOVERNANCE OF THE CODE OF CONDUCT

Zhongshan Zhanhong's core principles have been identified by the senior management team who are committed to upholding these principles across the business and our supply chains. The management maintain oversight and accountability of Zhongshan Zhanhong's Code of Conduct (hereby "the Code").

The responsibility for the implementation of the Code sits with the senior management of Zhongshan Zhanhong Plastic Products Co., Ltd.

The Code forms part of the trading terms and conditions between Zhongshan Zhanhong and our suppliers. Zhongshan Zhanhong expects its suppliers to confirm adherence to the core principles set out within the Code and a commitment to comply to these principles throughout the business relationship. Zhongshan Zhanhong will monitor compliance with the Code as part of the annual supplier evaluation process. At its discretion, Zhongshan Zhanhong may send compliance officers/auditors to conduct checks and onsite audits for its suppliers to ensure ongoing compliance with the Code. In an instance of non-compliance, Zhongshan Zhanhong maintains a commitment to continuous improvement and will work with a supplier to identify areas of improvement. Under these circumstances, a supplier would be required to develop an action plan to address specific improvement areas within an agreed period of time. Should the issues not be resolved, Zhongshan Zhanhong maintains the right to terminate the supplier relationship.

In addition to our core principles, customers and suppliers must abide by all relevant national and local laws and regulations. In any circumstance where a conflict exists between national law and any supplier obligation to these core principles, the supplier is expected to meet the standard that upholds the higher protection of workers, communities, or the environment.

PURPOSE OF THE CODE

The Code outlines the core principles with respect to labour and employment rights, health and safety, and environmental responsibility to which Zhongshan Zhanhong expects all its suppliers to adhere and conduct business. The Code is based on the Ethical Trading Initiative (ETI) Base Code and

International Labour Organisation (ILO) standards.

Zhongshan Zhanhong requests its suppliers to respect and adhere to the Code when conducting business.

Core Principles of our Code of Conduct

Forced or Child labour shall not be used

Suppliers must ensure employment is freely chosen without existence of forced, bonded or involuntary prison labour. Suppliers must not tolerate slavery and human trafficking for any purpose and should take active steps in ensuring the same for its own suppliers.

Suppliers must not engage in any form of child labour directly or indirectly. Suppliers must not employ workers that are younger than the minimum age according to national or international law, or younger than the age of completion of compulsory education. In any circumstance, suppliers must not employ a person under the age of 15. Any young persons under the age of 18 shall not be employed at night or in hazardous conditions under any circumstances.

Freedom of association

Workers have the right to join or form trade unions of their own choosing and to bargain collectively. Suppliers must adopt an open attitude towards the activities of trade unions and their organisational activities.

Working hours are not excessive

Suppliers must ensure that working hours comply with national and/or local laws, and in their absence, with industry benchmarks or relevant international standards. Working hours, excluding overtime, must not exceed the stipulated number of hours per week and any overtime must not exceed local law. Any overtime must be voluntary and shall not be used to replace regular employment.

Workers shall be provided with at least one day off after six consecutive workdays.

All employees should have a written contract of employment.

Discrimination is prohibited

Suppliers shall not practise or tolerate any discrimination on grounds of gender, age, race, religion, disability, marital status, sexual orientation, union membership or political affiliation in hiring, compensation, training, promotion, termination or retirement. Suppliers must comply with all national laws or where no laws are present international legislation.

Harassment and inhumane treatment are prohibited

Suppliers will treat all employees with dignity ensuring no harassment of any kind. No harsh or inhumane treatment of employees will be used.

Working conditions are safe

Suppliers must ensure the working conditions and environment are safe and hygienic for all employees. Suppliers shall take steps, so far as is reasonable, to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. Suppliers must provide adequate safeguards against fire, and must ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.

Suppliers must have an effective health and safety (including fire safety) management system in place. Responsibility for regular health and safety risk assessments must be assigned to senior management representative/s. Suppliers must provide regular and recorded health and safety training to workers, and must be repeated for all new or reassigned workers. Suppliers must demonstrate methods to monitor and report safety incidents, training and performance.

Wages are paid in accordance with local laws

Suppliers must ensure all workers are provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Wages and benefits paid for a standard working week must meet, at the very least, national legal standards or industry benchmark standards, whichever is higher.

Overtime shall be paid at a premium to standard rates. Compensation levels should be at the level of a living wage according to local living conditions. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded by the supplier.

Anti-Bribery and corruption

Suppliers must not offer, gift, request or accept payments or provide any inducement of any kind to any Zhongshan Zhanhong colleague, contractors or agents working on our behalf. No contract will be entered into that has any form of commission attached to it. If you become aware of any actual or suspected breach of this principle, you should raise your concerns through a confidential email info@zhanhongplastics.com Your anonymity will be protected.

Environmental Compliance and Stewardship

Zhongshan Zhanhong has set out its long term plan to be carbon neutral in the future. In line with our ambitions, suppliers shall demonstrate efforts to minimise any negative environmental impacts from their business practices particularly with regards to effective management of energy consumption, air emissions, water extraction, wastewater discharge and waste generation.

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Compliance with the Code

Please ensure all suppliers fully understand and adhere to the principles outlined in this Code of Conduct.

Signature Line

Please complete and sign the following:

Name: _____

Position: _____

Date: _____

Company: _____