

**Yue Yuen Industrial (Holdings) Limited**  
**Code of Conduct**

Stemming from the commitment to corporate social responsibility, Yue Yuen Industrial (Holdings) Limited (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as the “Group”) always demonstrate rigorousness, openness and transparency in the compliance with the applicable laws and regulations of the countries of operation. If there is discrepancy or conflict between different standards, the higher one is adhered to. The Group (1) is committed to respecting human rights and complying with the human right standards and principles expressed in the Universal Declaration of Human Rights and in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work; (2) develops its core standards for all employees performing duties by referring to the codes of conduct adopted by International Labor Organization, Fair Labor Association, and various brand customers from time to time; (3) dedicates itself to continuous improvements in work environment and risk control through the detection of potential problems by internal and external audits; and (4) strives to further foster labor harmony and to build a high quality enterprise. The Group shall implement its Code of Conduct as follows:

**Employment Relationship**

The Group shall adopt and adhere to rules and conditions of employment that respect employees and at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

**Nondiscrimination**

No person shall be subject to any discrimination in employment, including hiring, compensation, benefits, advancement, discipline, termination, retirement, etc., on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social status or ethnic origin.

**Harassment or Abuse**

Every employee shall be treated with respect. No employee shall be subject to physical, sexual, psychological or verbal harassment or abuse.

**Forced Labor**

There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor. The employment of any labor involved in any form of human trafficking, whether by way of force, fraud, coercion or any form of involuntary servitude or slavery, shall be prohibited.

**Child Labor**

No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

**Freedom of Association and Collective Bargaining**

The Group shall recognize and respect the right of employees to freedom of association and collective bargaining.

**Health, Safety, and Environment**

The Group shall provide a safe and healthy workplace setting to prevent accidents and injury jeopardizing health when employees engage in work-related tasks or the operation of the Group’s facilities. The Group shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

**Hours of Work**

The Group shall not require employees to work more than the regular and overtime hours allowed by the law of the country where the employees are employed. Under normal circumstances, the regular work week shall not exceed 48 hours. The Group shall allow employees at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. The Group shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate as required by local laws or as agreed in the employment contract (whichever is higher). Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

**Compensation**

Every employee has a right to compensation for regular work that is sufficient to meet the employees' basic needs and provide some discretionary income. The Group shall pay at least the minimum wage or the appropriate prevailing wage or the wage as agreed in the employment contract, whichever is the highest, comply with all legal requirements on wages as provided by local laws, and provide any fringe benefits required by laws or the employment contract. Where compensation does not meet employees' basic needs and provide some discretionary income, the Group shall take appropriate actions that seek to progressively realize a level of compensation that does.

**Community Outreach and Partnership**

The Group dedicates itself to active participation in community charity activities, enhancement of the community development, and creation of a harmonious society.

**Review and Amendment**

This Code of Conduct shall be subject to review and amendment by the Company from time to time.

(Adopted on 22 March 2019)