



JAKKS PACIFIC HEADQUARTERS - ASIA  
總公司 太平洋 亞洲總匯

<b>Vendors Code of Conduct</b>		Effective Date	Feb 20,2018
		Approved By	Dick Au
DOC No:	JP COC-M-01	Reviewed By	Dick Au
Rev#:	03	Prepared By	Patrick Chan

# Vendors Code of Conduct





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**Introduction**

This Vendor Code of Conduct applies to all factories that produce goods for JAKKS Pacific, or any of its subsidiaries, divisions, affiliates or agents (“JAKKS Pacific.”).JAKKS Pacific understands that its Vendors are independent entities, however, the business practices and actions of a Vendor may impact and/or reflect upon JAKKS Pacific. Because of this, JAKKS Pacific expects that all Vendors shall adhere to this Vendor Code of Conduct conducting business with and/or on behalf of JAKKS Pacific. This Vendor Code of Conduct establishes minimum standards of conduct required for all of JAKKS Pacific’s Vendors.



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### **1. Vendor Management System for its Social Compliance**

Vendor Top management shall define in writing, in workers' own language, the company's policy for social accountability and labour conditions, and display their compliance policy in a prominent, easily viewable place on the company's premises, to inform personnel that it has voluntarily chosen to comply with the requirements of Vendor compliance standard. Such policy shall clearly include the following commitments:

- 1.1 To conform to all requirements of ICTI standard, JAKKS Standard and FOB customer Standard
- 1.2 To comply with national and other applicable laws and other requirements to which the company subscribes.
- 1.3 To review its policy regularly in order to continually improve, taking into consideration changes in legislation, in its own code-of-conduct requirements, and any other company requirements;
- 1.4 To see that its policy is effectively documented, implemented, maintained, communicated, and made accessible in a comprehensible form to all personnel, including directors, executives, management, supervisors, and staff, whether directly employed by, contracted with, or otherwise representing the company;



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## **2. Adoption and Abidance of ICTI CARE Process for our Toys Vendors Social Compliance.**

The ICTI CARE (Caring, Awareness, Responsible, Ethical) Process is the International Council of Toy Industries' (ICTI) program to promote ethical manufacturing, in the form of fair labor treatment, as well as employee health and safety, in the toy industry supply chain worldwide. Its initial focus is in China, where 80 percent of the world's toy volume is manufactured. Its intent is to provide a single, fair, thorough and consistent program to monitor toy factories' compliance with ICTI's Code of Business Practices (the "Code"). JAKKS adopt ICTI Care Process as a generic Code of Conduct (COC) compliance and it will be applicable to all Toys vendors. Same principle, unless specify, all JAKKS vendor will be required to meet ICTI Care Process. It is vendor's responsibility to apply and maintain ICTI in valid and renewal regularly. As long vendor their ICTI is invalid and may cause our customer to terminate the production authority, JAKKS will reserve the right to remove the business/order from vendor and will consider terminate the business relationship at last. In case of Factory ICTI terminated by ICTI Care office during JAKKS Production , Vendor must notify JAKKS , JAKKS must move all goods to a back-up valid ICTI vendor for Production and Shipment. The ICTI failed vendors will undertake entire expense or penalty.



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### 3. Compliance with Laws and General Principles

Vendors and their designated manufacturing facilities (Factory) must fully comply with all applicable national and/or local laws and regulations, including but not limited to those related to labor, immigration, health and safety, and the environment.

3.1 This standard is a minimum for JAKKS Pacific vendors. In addition to the laws and regulations stated above, Vendors' compliance also extends to other matters such as intellectual property rights, labeling, documentation, and certifications. JAKKS Pacific is aware that in many of the jurisdictions in which its vendors conduct business, the interplay between local, regional and national laws and regulations can cause confusion. In light of this reality, JAKKS Pacific's position is that when there is an apparent conflict between the terms of applicable laws, the supplier is expected to adhere to the most stringent version.

3.2 JAKKS Pacific reserves the right to inspect and/or authorize a third party to inspect and audit, at any time, The factory allows JAKKS Pacific. and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.



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#### **4. Discrimination**

Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

- A. The factory employs workers without regard to race, color, gender, nationality, religion, age, maternity or marital status.
- B. The factory pays workers compensations / wages and provides benefits without regard to race, color, gender, nationality, religion, age, maternity or marital status.





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## 5. Coercion & Harassment

The factory should treat each workers with dignity and respect, and should not use corporal punishment, and / or tolerate any types of physical, sexual, verbal, bullying or psychological harassment to workers.

Examples (but not limited to):

- Should pay attention to daily communication according to the environment, language, custom, culture, and avoid physical contact.
- Body searches should be avoided, but if deemed necessary to be conducted by same gender (e.g. male to male, female to female)
- Inappropriate activities are strictly prohibited, e.g. body touch, dirty jokes, inappropriate pictures / video, repeated dating requests, etc.



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## **6. Freedom of Association**

Workers are free to join associations of their own choosing. Factories must not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the workers.

A. Workers are free to choose whether or not to lawfully organize and join associations.

B. The factory does not threaten, penalize, restrict or interfere with workers' lawful efforts to join associations of their choosing.



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## 7. Voluntary Labor

All labor must be voluntary. Slave, forced, bonded, or indentured labor will not be tolerated. Vendors shall not engage in or support trafficking in human beings. Vendors shall certify that they have implemented procedures to manage the materials, including all labor related processes, incorporated into their products to ensure they comply with laws on slavery and human trafficking. Workers must be allowed to maintain control over their identity documents. Employment must be on a voluntary basis and workers must be able to travel freely as allowed by law. Slave, forced, are prohibited and those factories that are found to have violated this provision will cease producing merchandise for JAKKS Pacific and all previously produced merchandise may be subject to destruction.

7.1 All forms of forced and slave labor are prohibited.

7.2 Vendors shall not engage in or support trafficking in human beings.

7.3 Vendors must verify that their product supply chains address risks of slavery and human trafficking.

7.4 Vendors shall certify that they have implemented procedures to manage the materials, including all labor related process, incorporated into their products to ensure they comply with laws on slavery and human trafficking.

7.5 Workers must be able to voluntarily end their employment without any restrictions. Any restrictions for workers to voluntarily end their employment, such as excessive notice periods or substantial fines for terminating their employment contracts, are prohibited.

7.6 Vendors must never physically prevent or delay workers from leaving the facility or its grounds unless for reasonable safety reasons.

7.7 Vendors must grant employees permission to leave the factory under reasonable circumstances, such as personal or family emergencies, without disciplinary penalty.

7.8 Vendors must not require employees to make any monetary deposits or require employees to surrender any original identification documents as a condition of employment.

7.9 Vendors should never require employees to incur debt through recruitment fees or make any financial guarantees to secure employment.

7.10 Overtime should be voluntary. Workers may not be physically coerced to perform overtime work.



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### **8. Child Labor ,Underage Labor / Juvenile Labor/ Student workers**

8.1 Child Labor: Vendors are prohibited from employing any workers under the age of 15 regardless of national and/or local laws or regulations.

8.2 Underage workers: Vendors are prohibited from employing workers below the minimum working age as defined by local legal regulations. All workers must be at or above the legal minimum age at time of employment.

8.3 Juvenile Labor (Minor) / Student workers: Where legal regulations specify juvenile (minor) employment restrictions or requirements, the supplier must demonstrate compliance with said requirements. Workers above the legal minimum working age but younger than 18 shall be considered juvenile workers.

- ✧ Vendors shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by workers under the age of 18.
- ✧ Vendors shall maintain necessary records identifying all workers under the age of 18.
- ✧ No person under the age of 18 shall undertake hazardous work, i.e., work which by its nature or the circumstances in which it is carried out, is likely to harm the health or safety of persons under the age of 18.

8.4 Vendors must have effective age-verification procedures. The personnel (personal) file of each worker must contain copies of identification documents (such as birth certificates and national ID cards) as proof of age.

8.5 Vendors found to have used child/underage labor will be asked to remediate the situation by implementing a satisfactory solution that places the best interest of the child/underage worker first.



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## 9. Working Hours

Vendor shall comply with applicable laws and industry standards, regulations on working hours and ensure not excessive, the vendor must provide workers with rest days, public holidays and leave.

9.1 Vendors must comply with legal regulations on working hours. If regulations regarding the number of maximum overtime requirements do not exist, then the working hours should not exceed 60 hours per week consisting of a maximum of 40 regular hours and 20 hours of overtime.

9.2 Factory must ensure that workers should have a minimum of one day off in seven; workers may work on their rest day but should not do so more than once in every two weeks. Vendors should ensure that workers do not consistently work on their rest day by monitoring and limiting this practice.

9.3 Vendors must ensure that time worked by all workers, including those on a piece rate payment scheme, is fully documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. This should include all regular and overtime hours, as well as any breaks.

9.4 Employees must record their own working hours, i.e. clock in and out themselves.

9.5 Time records for all workers must be available for review. This includes agency and temporary workers.

9.6 Vendors shall provide reasonable meal and rest breaks (at least 30 minutes), which at a minimum is compliant with the law.

9.7 Vendors shall provide workers with all official public holidays as required by law. Vendors shall provide workers with paid annual leave as required by law.

9.8 Vendors shall have work hour policies and procedures in place to ensure compliance with the law.

9.9 Factory must keep their transparency for working hours and its records toward to JAKKS, any double-book or false working-hours records would be affected the business commission.



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### **10. Wages ,Compensations, Welfare.**

Vendors must compensate all workers with wages, overtime premiums, and benefits that meet or exceed legal standards or collective agreements, whichever are higher. Vendors are encouraged to provide wages that meet local industry standards. Vendors must compensate all workers in accordance with the law and where applicable with contractual agreements. Workers must be provided with written and understandable details regarding their employment and compensation.

10.1 Workers on hours rate and piece rate payment scheme must receive at least the legal minimum wage.

10.2 Vendors shall pay all workers, including those on a piece rate payment scheme, the applicable overtime premium rate for all overtime hours worked.

10.3 Vendors shall pay all workers on probation, undergoing training or participating in an apprenticeship program in accordance with the law.

10.4 Vendors must provide all legally mandated holidays, leave, benefits and bonuses, such as Statutory holiday, paid annual leave, Maternity leave / Paternity leave, Paid sick leave, Marriage leave, Bereavement leave, and severance payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be accurately calculated.

10.5 Workers should be aware of their benefits and understand how their wages are calculated. Workers should be provided with pay slips in a language the workers understand that shows regular and overtime hours worked, regular and overtime rates and wages, bonuses and deductions. All cash payments of wages and benefits made directly to the worker must be properly documented. Accuracy and receipt of payment must be confirmed by the relevant workers in writing (signature, etc.).

10.6 Payment of wages should be made according to local laws or no later than 30 days from beginning of the wage period. No wage-period shall exceed one month.

10.7 Vendors must only deduct from wages what is legally permitted and deductions should not be excessive. Deductions from wages must not be made without the express and written consent of workers and shall be documented in employee files. Deductions must not be made as a disciplinary measure and Vendors must not deduct recruitment agency fees.

10.8 If legally required ,Social Insurance and Urban housing provident fund must provide to workers ( Occupational injury, Unemployment insurance, Hospitalization, Retirement and Maternity insurance). The insurance-paid receipt and certificate document( offered by the local city-level government ) must be maintained on file.

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## 11 . Health and Safety

Vendors must provide workers with a safe and healthy work environment. Vendors must take proactive measures to prevent workplace hazards.

The work environment must be safe and sanitary to ensure there are no unreasonable risks to the health and safety of all workers. Vendors must implement procedures and safeguards to prevent accidents and injuries to workers; procedures and safeguards include, but are not limited to, inspection of buildings, machinery, and fire extinguishers. Regular and recorded health and safety training shall be provided for all new or reassigned workers and management. The responsibility for ensuring health and safety in the workplace should be assigned to a factory management representative. Adequate and appropriate personal protective equipment and clothing must be provided to all workers, particularly those handling hazardous materials.

Vendors shall comply with these provisions in accordance with their specific industry conditions and related hazards.

### 11.1 Fire Safety - Vendors must ensure

- ✧ Aisles, exits and stairwells are kept clear and unblocked at all times.
- ✧ Exits are unlocked at all times during working hours and are clearly marked. Exit doors must open outwards, be unlocked from the inside and require no special operation.
- ✧ Exit signs and emergency light must keep automatic power charged at all times.
- ✧ Factories conduct regular fire drills at least twice per year or as mandated by law, whichever is more frequent.
- ✧ Factories have functional, sufficient and accessible firefighting equipment.
- ✧ Factories establish an adequate evacuation plan.
- ✧ Factory exits are properly marked with illuminated signs in English and the local language.
- ✧ Evacuation routes are marked on the floors and posted in each work area.

### 11.2 Electrical Safety- Vendors must ensure

- ✧ Wires properly are attached to fixture, plugs, circuit breakers, and other equipment.
- ✧ Electrical covers are in place for junction boxes, outlets, panel boards and are they free from obstruction
- ✧ All switch, button, fixtures, plugs, circuit breakers are clearly marked its function.

### 11.3 PPE/ Hazardous & Chemical Safety – Vendors must ensure:

- ✧ The availability of complete inventory of all chemicals used in the factory, separating hazardous and non-hazardous chemicals.
- ✧ Factories establish appropriate spill response programs.
- ✧ MSDS/CSI (chemical safety instructions) is available for utilized chemicals in local language and available on the floor where chemicals are being used.
- ✧ Factories appropriately store chemicals (proximity of incompatible chemicals, away from ignition sources, etc.).



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- ✧ Chemical containers are opened and dated when received and properly labeled with at least the chemical name and hazard warnings.
- ✧ Factories provide appropriate PPE (Personal Protective Equipment) and training for workers.
- ✧ Factory workers properly utilize PPE.
- ✧ Factories establish appropriate Emergency Preparedness and Response procedures and training.
- ✧ Eye wash stations are appropriately located and maintained.
- ✧ Factories establish standard operating procedures (SOP) for handling Hazardous chemical
- ✧ Factories establish a preventative maintenance program for flammable liquid systems and equipment installed in hazardous (classified) locations.

#### **11.4 Sanitation – Vendors must ensure**

- ✧ Accessibility of potable drinking water for their workers.
- ✧ Restrooms, canteens, food preparation areas, dormitories, etc. are maintained in a safe and clean condition.
- ✧ Factories possess appropriate hygiene certificates for their canteen and its workers as mandated by law.

#### **11.5 Accident/First Aid/Risk Assessment – Vendors must ensure**

- ✧ Factories maintain detailed accident/incident logs.
- ✧ Factories maintain an appropriate First Aid program as mandated by law.
- ✧ Factories maintain sufficient First Aid supplies that are maintained and restocked when needed.
- ✧ Factories maintain a safe working environment and ensure work areas do not present any safety hazards.
- ✧ Factories perform and document risk assessments relating to occupational health and safety risks.

#### **11.6 Machine/Equipment Operation and Maintenance – Vendors must ensure**

- ✧ Training regarding the proper and safe operation of machinery/equipment is provided to workers and recorded.
- ✧ Machines are equipped with appropriate and operational safety devices, which are inspected and serviced on a regular basis.
- ✧ Machines with rotating parts are enclosed and interlocked with an automatic shut off mechanism.
- ✧ All required safety/protective guards are securely in place, in good operating condition and regularly inspected.
- ✧ Machine safety instructions (including pictures/warnings) and machine operational parameters are posted on all machinery.
- ✧ Proper LOTO (Lockout/Tagout) practices and procedures are implemented to safeguard employees from unexpected startup of machinery and equipment during service or maintenance activities.
- ✧ Proper CLTI (Cleaning, Lubrication, Inspection and Tightening) checklist is maintained after each machine maintenance.
- ✧ Maintenance records for machinery and equipment are maintained.





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- ✧ All machine breakdowns are recorded on a regular basis.
- ✧ Risks associated with machine hazards are evaluated (root cause analysis) and control measures are identified and implemented.
- ✧ Factories inspect machines/equipment before being used by workers.
- ✧ Radiation and light sources (lasers/welding arcs) are properly shielded.
- ✧ Factories maintain required legal certificate/license/registration for all pressurized/compressed equipment (boilers, compressors, gas cylinders, etc.).



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## 12. Dormitories and Canteen

Vendors who provide residential and dining facilities for their workers must provide safe, healthy, and sanitary facilities.

All areas of the dormitory facilities shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting, etc.). Emergency evacuation drills shall be conducted at least once a year. Additionally, vendors shall provide appropriate washroom facilities, including adequate toilets and showers segregated by gender. The dormitory facility should also have security measures to protect employees and their property.

Dormitories must be in compliance with all housing laws and regulations, occupancy requirements, health and safety laws.

12.1 The dormitory facilities must be separate from the production areas, workshops and warehouses.

12.2 Management shall ensure dormitory rooms, common areas, hallways, toilets, bathrooms and shower facilities are maintained in a functional, clean condition and are secure.

12.3 Dormitory rules and regulations must be provided to workers and should include but is not limited to: guidance regarding sanitation, good housekeeping and personal hygiene; curfew hours if applicable; visitation hours; security and safety regulations.

12.4 functioning shower with both hot and cold water must be provided occupants. Showers should be separated and marked by gender.

12.5 Toilets must be clean, functioning, well-lit, well-ventilated, and stocked with toilet paper and soap.

12.6 A lockable space sufficient for all work and non-work items with storage per worker must be provided.

12.7 Fresh potable drinking water must be available for occupants without restriction.

12.8 Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditions and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.

12.9 A first aid kit must be provided in a visible, accessible location. Sufficient first aid kits must be maintained and restocked when needed. In addition, trained first aid personnel should be readily available during any 24 hour period.

12.10 Sufficient and functional firefighting equipment must be provided in a visible, accessible location on each floor. In addition, fire drills should be conducted at least once a year so that residents are familiar with the evacuation procedures.

12.11 Dormitories must have at least 2 unobstructed emergency exits per floor leading to a safe location.

12.12 Exit doors must open outwards, be unlocked from the inside and require no special operation. Exit doors, exit routes, aisles and stairwells are kept clear and unblocked at all times.

12.13 Dormitories must have an audible fire alarm that can be heard in all parts of the building.

12.14 Dormitories must have emergency lighting installed in exits, hallways and stairways.

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- 12.15 All food service areas (i.e. kitchen, canteen, food preparing areas, etc.), floors, surfaces and equipment are kept clean and sanitary.
- 12.16 Food service workers must have current health certificates. The catering services “food hygiene license” must be valid .
- 12.17 Food must be properly stored and handled in a sanitary fashion.
- 12.18 Effective insect, pest and rodent control is required.
- 12.19 Canteen should be equipped with cooking stoves, mechanical refrigeration, sinks with hot and cold running water, and proper lighting and ventilation.

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### 13. Environmental Protection and Energy Efficient Compliance

Vendors should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances ,hazardous waste disposal and Energy Efficient . Vendors must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations. Vendors should have an awareness of significant environmental aspects and impacts, both positive and negative. Appropriate and adequate environmental training should be provided to all workers and management.

13.1 Environmental Management System – Unless otherwise required by the Law, Vendors should:

- ✧ Obtain and maintain an environmental legal register.
- ✧ Adopt environmental policy.
- ✧ Have a mechanism in place to monitor environmental laws and regulations changes to achieve compliance.
- ✧ Appoint a member of management team for the coordination of environmental management activities and ensure he/she is properly trained.
- ✧ Develop an emergency protocol to deal with environmental incidents. The emergency protocol should include emergency response plan, trained emergency team and regular drills.
- ✧ Emergency Response Plan should be communicated to the local authorities, emergency services, and local communities as required by law.
- ✧ Provide regular environmental training to impacted employees.

13.2 Energy use ,GHG (greenhouse gases) management – Vendors should:

- ✧ Meet applicable legal requirements in terms of energy use and GHGs emissions.
- ✧ Obtain and maintain appropriate permits as required by law.
- ✧ Set up energy use inventory (e.g. energy consumption data from energy bills and meter readings, fuel bills, gas bills, on-site transport) and conduct regular monitoring.
- ✧ Maintain Greenhouse Gas Emissions (direct and indirect) inventory, as required by law.
- ✧ Use devices to limit emissions of greenhouse gases.

13.3 Water Management – Vendors should:

- ✧ Obtain and maintain appropriate permits for water use / extraction as required by law.
- ✧ Maintain data regarding water use consumption (e.g. water consumption data from water bills and meter readings).

13.4 Waste Management – Vendors should:

- ✧ Obtain and maintain appropriate permits for onsite waste disposal as required by law.
- ✧ Deliver hazardous waste for offsite treatment and disposal only to contractors licensed or permitted by appropriate competent authority (if any), which should be verified regularly.
- ✧ Handle, store and transport hazardous waste in a safe and environmentally (secondary containment) sound manner to control any risks of environmental contamination.



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- ✧ Segregate hazardous and non-hazardous waste.
- ✧ Maintain waste containers and labels in an appropriate condition.
- ✧ Maintain waste inventory and tracking records, including the disposal and treatment of both on-site and off-site waste.
- ✧ Conduct no on-site waste burning or uncontrolled waste land filling.
- ✧ Employees should be provided appropriate waste management training, including the handling and segregation of wastes.

13.5 Wastewater & Effluents Management – Vendors should:

- ✧ Obtain and maintain appropriate permits for wastewater/effluents treatment and discharge, as required by law.
- ✧ Conduct regular wastewater monitoring (sampling & testing), as required by law.
- ✧ Strictly comply with wastewater/effluents discharge limits established by competent authorities.
- ✧ Take necessary corrective actions in the event discharge limits are exceeded.
- ✧ Have a drainage system in place to convey wastewater to treatment plant and/or final discharge points. A detailed layout or schematic of the drainage system should be available for review.
- ✧ If applicable, maintain wastewater treatment plant in safe operating conditions to avoid risks to environment and/or human health.

13.6 Air Emissions ,Energy Conservation and Emission Reduction Management – Vendors should:

- ✧ Obtain and maintain appropriate permits for air emissions as required by law.
- ✧ Conduct regular air emissions monitoring (sampling & testing), as required by law.
- ✧ Strictly comply with any applicable air emissions limits as required by law.
- ✧ Take immediate corrective actions in the event emission limits are exceeded.
- ✧ Maintain air emission control equipment on a regular basis.
- ✧ Establish an inventory of sources related to air emission points.
- ✧ Maintain an inventory of ODS (ozone depleting substances).
- ✧ Seek to expand the inventory of ODS (ozone depleting substances) containment equipment.
- ✧ Inspect and maintain ODS (ozone depleting substances) containment equipment to prevent the accidental release of substances.
- ✧ Replace inefficient and outdated machinery. Use machines that have energy efficiency features such as automatic shut-off and low energy consumption modes.
- ✧ Use natural light for workplace lighting when possible.
- ✧ Install energy efficient lighting, such as fluorescent light bulbs.
- ✧ Recover waste heat from manufacturing processes
- ✧ Insulate the heating barrels in plastic molding machines.
- ✧ Turn off or shut down idle processing equipment, lights, fans, air compressors, and other types of energy-consuming equipment when they are not in use.



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13.7 Land Use and Biodiversity– Vendors should:

- ✧ Conduct Environmental Impact Assessment and submit the results to competent authority for review and approval as required by law.
- ✧ Obtain and maintain appropriate permits for land use and facilities construction as required by law.
- ✧ Meet applicable legal regulations regarding protected land.

13.8 Hazardous Substances Management / Soil & Ground Water Pollution Prevention – Vendors should:

- ✧ Do not utilize banned chemicals.
- ✧ Obtain and maintain appropriate permits for hazardous substances handling & storage as required by law.
- ✧ Take appropriate measures to prevent & control any risks of environmental pollution from hazardous substances release, including the contamination of soil and groundwater.
- ✧ Verify the existence of sensitive receptors (e.g. rivers, underground water, etc.) close to production facilities and implement special measures to prevent contamination where needed.
- ✧ Maintain an inventory of hazardous substances used and stored, which should be maintained together with relevant up-to-date Material Safety Data Sheets (MSDS).
- ✧ Provide employees with appropriate pollution prevention and response training.
- ✧ Provide employees with appropriate hazardous substance handling training.
- ✧ Report any pollution and hazardous substance incidents to the authorities as required by law.

13.9 Noise Pollution – Vendors should:

- ✧ Obtain and maintain appropriate permit for noise pollution as required by law.
- ✧ Perform noise pollution assessments as required by law.
- ✧ Conduct regular noise pollution monitoring as required by law.
- ✧ Comply with noise pollution limits as required by law.
- ✧ Take immediate corrective actions in the event the noise pollution limits are exceeded.
- ✧ Have an understanding and awareness of nuisance levels from site activities and associated impacts (including odor, noise, visual and general housekeeping).



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#### **14. Gifts and Entertainment and Anti-Corruption**

14.1 Vendors must ensure factories do not offer gifts or entertainment to JAKKS Pacific associates and those working on behalf of JAKKS Pacific. Vendors must ensure factories do not offer gifts or entertainment to those who on behalf of JAKKS or JAKKS' customer conducting Factory audit or Goods Inspection or other commercial activities Gifts include but are not limited to: Travel expenses, Money or the equivalent, Personal favors etc.

14.2 Vendors must not tolerate, permit, or engage in bribery, corruption, or unethical practices whether in dealings with public officials or individuals in the private sector.

Vendors may not promise, offer, or pay anything of value to JAKKS Pacific associates to obtain or retain business or secure an improper advantage on behalf of JAKKS Pacific.

Vendors must at all times comply with the Foreign Corrupt Practices Act (FCPA) ,UK Bribery Statute and Independent Commission Against Corruption(ICAC).



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### **15. Zero Tolerance for unauthorized Subcontracting**

- 15.1 To continue improving transparency in our supply chain, effective Jan 1, 2014, Jakks will institute zero tolerance for unauthorized subcontracting and terminate its relationship with any supplier engaging in unauthorized subcontracting when sourcing merchandise for Jakks.
- 15.2 Jakks defines unauthorized subcontracting as production, augmentation or packaging of merchandiser in scope for the Jakks audit program in a facility that has not been fully and accurately discloses in advance to Jakks and audited per our code of conduct requirement as detailed in the standard for supplier manual. This prohibition includes any undisclosed subcontracting conducted with or without the supplier's knowledge by agents, third-party facilities or any other entity within the supplier's supply chain. Suppliers are responsible to communicate our entire supplier manual requirement to all entities within the supplier's supply chain.
- 15.3 Manufactures will not use subcontractors for the manufacture of client Merchandise or components those of without client's express written consent and only after the subcontractor has entered into a written commitment with client to comply with client code of conduct.
- 15.4 The client in 15.3 means include but not limited to Wal-Mart, Disney, Target, etc.