

ETHICAL CODE (December 2021)

Introduction

Fabletics, Inc. and their subsidiaries and affiliates (collectively “Company”) source quality items both domestically and internationally. The Company believes in protecting the health and safety of all the workers that directly or indirectly contribute to the products sold. To further these beliefs, the Company has created specific social and environmental compliance protocols that it expects to be implemented across its supply chain.

At the Company, we are committed to ensuring that the products we sell are produced in a way that respects human rights and the environment. We expect that the workers who make our products are treated with dignity and respect. We work with business partners including vendors and suppliers that are committed to these principles.

To address these concerns, the Company has an **Ethical Sourcing Code** to ensure that it:

- Sources all its products in a conscientious and responsible manner,
- Works dutifully with its suppliers to monitor their social and environmental practices,
- Acts in partnership with its suppliers to improve social and environmental practices,
- Provides clear and comprehensive guidelines to its buying staff,
- Protects its corporate reputation, and
- Protects the reputation of its individual businesses and brands.

Audit scope to ensure compliance with the Ethical Sourcing Code includes nominated suppliers.

Our ethical sourcing policy was derived from the Core Labor Conventions of the International Labor Organization (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work, the UN Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles on Business and Human Rights, and the Ethical Trading Initiative’s base code.

The Company Commitment

The Company is committed to upholding fair working conditions, environmental protection and human rights throughout its global business operations.

In accordance with the expectations of our customers, the community, and the requirements of the law, we make every effort to operate responsibly, and we expect the same from our vendors and suppliers.

Maintaining a reputation for the highest ethical and legal standards in our dealings with our customers and other key stakeholders is critical for the ongoing success of the Company.

This document has been developed in accordance with this operational directive to harmonize with Company core values of integrity, responsibility, and global sustainability.

Our Expectations

The Company expects suppliers, such as vendors, factories, and vendors' suppliers to use this Ethical Sourcing Code to identify what workplace practices and working conditions are acceptable when doing business with our company, no matter where they operate globally.

At a minimum, vendors and factories must always be familiar with and comply with all applicable national and local laws and regulations. As a guide, the Company standards within this Code should be followed where there is no relevant law in place, or where our standard is stricter.

The Ethical Sourcing Code does not replace the local laws of each country where vendors and factories operate.

Additionally, Company suppliers will provide unrestricted access to accurate information, including all physical locations within the facility, including dormitories, relevant documents, and access to workers for confidential and private interviews. Suppliers will provide unrestricted access for both announced and unannounced visits by Company employees or representatives.

Ethical Sourcing Code – Standards

1. Compliance with the Law

The Company requires all vendors and factories to comply fully 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 of the countries in which they operate.

All requirements in this Code are in addition to compliance with applicable local laws. If there are differences between local, regional, and national laws of the country in which the vendor or factory operates then Company policy is that the vendor and factory is expected to adhere to the most stringent applicable requirement.

1.1. Supplier Factories, Laws and Regulations

1.1.1. At a minimum, suppliers' factories must comply with local laws and regulations of the country of manufacture.

1.1.2. Business licenses and other documents shall be in order and up to date and available upon request.

1.1.3. Suppliers have written procedures established and implemented with a designated responsible management representative that is trained and empowered to ensure awareness of and understanding of any changes that are made to relevant local labor laws (e.g., changes to local minimum wage).

1.1.4. Suppliers must keep accurate records of all matters related to their business with the Company and in accordance with standard accounting practices such as generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS). All financial records should be recorded and readily available for inspection during announced or unannounced audits by the Company or authorized third-party representatives.

1.1.5. Suppliers and factories should maintain inventory and production records to document the origin and place of production of incoming materials. Suppliers and factories must comply with national and international laws regarding the identification and limits on hazardous chemicals in its manufacturing and production of items for the Company.

1.2. Labor and the Work Force

The Company only operates with suppliers that honor a duty of care with their work force, taking steps to ensure they employ fairly, ethically and in line with national laws and international guidelines. The goal is for suppliers to legally employ a motivated and productive workforce where workers are treated with dignity and respect and are free of fear and abuse.

In support of this, the Company requires that suppliers do their utmost to train management teams on these requirements and operate in compliance with the standards. Policy documents outlining these requirements and standards should be made available to all staff. Reporting on policy compliance must be consistent, honest, open, and transparent.

1.3. Child Labor

Child Labor is work that deprives children of their childhood, their potential and their dignity and is harmful to their physical and mental development. The Company actively strives to ensure all children have a childhood free of harmful labor demands.

*The Company supports **ILO Convention 138 (1973 Minimum Age Convention)** with regard to the appropriate age of workers and will not work with suppliers who use child labor.*

1.3.1. Suppliers must employ workers in line with the minimum employment age limit defined by national law or by International Labor Organization (ILO) Convention 138 - whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age, subject to exceptions allowed by the ILO and national law. Minimum employment age for hazardous work or night employment is 18 years of age.

1.3.2. Suppliers must comply with all applicable national laws governing minimum working age:

1.3.2.1. If set below 15 years of age, then no one under the age of 15 is permitted to work (subject to exceptions allowed by the ILO and national law).

1.3.2.2. If set at 15 years of age, then no one under 15 is permitted to work.

1.3.2.3. If set above 15 years of age, then no one under the age established by law may work on the factory floor.

1.3.3. Suppliers must be able to demonstrate establishment and proof of implementation of a written policy specifying the youngest age for hired workers to ensure compliance with the child labor provision as detailed above. All workers must be aware of this policy without exception.

1.3.4. Suppliers must comply with all legal restrictions placed on young/juvenile workers and should take every precaution to ensure that these workers are protected from conditions dangerous to their health, safety and / or welfare. This includes, but is not limited to:

1.3.4.1. The number of days worked to days of rest.

1.3.4.2. The number of overtime hours worked.

1.3.4.3. Hazardous and/or night shifts.

1.3.4.4. The implementation of medical examinations at least once per year.

1.3.4.5. Provide access to educational opportunities as required by local law.

1.3.4.6. The wage rate for student workers, interns, and apprentices (regardless of age) will be the same rate as other entry-level workers performing similar duties.

1.3.5. Suppliers must maintain accurate and up-to-date documentation for juvenile workers, as required by law, including documents verifying the age of the employee, written permission from parents or guardians, registration, school completion certificates and doctor certificates, where applicable. Supplier must be able to produce such documents if requested by the Company or a Company representative conducting an audit.

1.3.6. Suppliers must have a written Recruitment & Employment Policy which includes:

1.3.6.1. Clear definitions of legal age limitations.

1.3.6.2. Procedures in place to verify and record legal age documentation in the form of birth certificates, government identification cards and/or other official documents.

1.3.6.3. Secure Personnel Files for all employees.

1.3.7. No children under the age of 15 are allowed into any operational areas or factory space, even if they are not working.

Child Labor Remediation

If child labor is found in a supplier workplace, the following steps must be followed to ensure that the child is protected until they are of legal working age.

- Step 1: If child labor is found at a Company supplier, the supplier must immediately remove the child from the workplace.
- Step 2: The supplier where the child labor was found must contact the family and send the child home. The supplier must cover all expenses related to transporting the child home.
- Step 3: A Company team member or agent will assess if other underage workers are working at the supplier.
- Step 4: The supplier where the child labor was found shall continue to pay the wages to all child labors removed from the workplace until they are of legal working age.
- The factory where the child labor was found shall make sure that the child completes compulsory education. The supplier shall provide the Company with the name and address of the school in which the child is enrolled.
- The child will be offered a job (if desired) back at the supplier when of legal working age.

1.4. Forced Labor

The Company only operates with suppliers whose employees work freely under their own volition, and are in no way forced, bonded or obligated to work against their will. All labor must be voluntary. Slave, child, underage, forced, bonded, or indentured labor will not be tolerated. Suppliers shall not engage in or support trafficking in human beings. Suppliers shall implement procedures to manage the materials, including all labor related processes, incorporated into their products to ensure that they comply with laws on slavery and human trafficking. Workers must be allowed to maintain control over their identity documents.

- 1.4.1. Employment is voluntary and freely chosen by all employees.
- 1.4.2. There is no forced, bonded, indentured or involuntary prison labor.
- 1.4.3. Workers are not required to lodge monetary deposits or their identity papers with their employer and are free to leave their employer after reasonable notice without malice or retaliation by the employer. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.
- 1.4.4. Suppliers shall verify and/or certify that it and/or its supply chain do not directly or indirectly use forced labor or any form of human trafficking and that it has procedures in place to manage the materials, including all labor related processes, incorporated into their products to ensure that they comply with laws on slavery and human trafficking.
- 1.4.5. If suppliers employ foreign migrant workers, all immigration and labor laws must be followed. Foreign migrant workers must be allowed to terminate their contracts without penalty when giving notice that is reasonable or legal in the host country. Suppliers will maintain records of all foreign migrant workers, including arrival and departure dates and the contract terms.
- 1.4.6. The supplier shall ensure that migrant workers' work is voluntary and not subject to indentured, forced, bonded, or compulsory labor.
- 1.4.7. The supplier will hold any third-party labor agents or brokers to the same standards as the Ethical Code.

1.5. Respect of Freedom of Association and the Right to Collective Bargaining

The Company supports the right of all workers to choose whether or not to lawfully join or form trade unions and collectively bargain believing that employers and employees should work together amicably to resolve issues that affect the collective workforce.

- 1.5.1. Workers, without discrimination or fear of retaliation, have the right to join or form trade unions / similar entities of their own choosing and to bargain collectively without malice.
- 1.5.2. The employer respects and honors the right of workers to bargain collectively and adopts an open attitude towards the activities of trade unions and their organizational activities, working together to amicably address and solve issues.
- 1.5.3. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 1.5.4. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

1.6. Living Wages

The Company believes workers should be paid for all hours worked and in a manner that allows workers to meet their basic needs and provides some discretionary income.

1.6.1. Wages and benefits paid for a standard working week shall meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. Suppliers shall pay at least the minimum wage, and are encouraged to provide wages and benefits that are sufficient to meet basic needs and to provide some discretionary income for the employee.

1.6.2. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, including but not limited to how their wages are calculated.

1.6.3. All workers shall be provided with written and understandable information about the particulars and details of their wages for the pay period concerned, each time that they are paid.

1.6.4. Suppliers may only make legally allowed deductions from workers' wages. Deductions from wages as a disciplinary measure or any deductions from wages not provided for by law shall not occur without the expressed permission of the worker concerned. In any event, information on potential wage deductions in relation to substandard work shall be made clear to all workers before the event.

1.7. Working Hours

The Company firmly believes that employees only work those hours that ensure a safe and healthy working environment and adequate rest or leisure time between shifts. Extra working hours that diminish this shall be voluntary, compensated accordingly and within legal limits.

1.7.1. Working hours comply with all national and local laws and applicable collective agreements regarding labor hours, including limits on hours worked and benchmark industry standards, whichever affords greater protection.

1.7.2. Working hours, excluding overtime, shall be defined by contract.

1.7.3. In any event, workers shall not on a regular basis be required to work in excess of 60 hours per week, including overtime, and shall be provided with at least one day off for every seven (7) days period.

1.7.4. Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where the following are met:

1.7.4.1. This is allowed by national law;

1.7.4.2. This is allowed by applicable collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;

1.7.4.3. Appropriate safeguards are taken to protect the workers' health and safety; and

1.7.4.4. The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

1.7.5. Overtime shall be voluntary, shall not be excessive, shall not be demanded on a regular basis, shall not be used to replace regular employment, and shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. Suppliers shall not use coercive behavior to influence workers regarding overtime hours. Overtime shall be used responsibly, considering all the

following: the extent, frequency and hours worked by individual workers and the workforce as a whole.

1.7.6. Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

1.7.7. Suppliers should provide workers with holidays in compliance with applicable laws and provide workers with access to all applicable laws regarding worker leave.

1.7.8. Suppliers must use up-to-date written records that accurately reflect the days and hours worked by each employee. Supplier must produce such records if requested by the Company or a Company representative conducting an audit.

1.8. Regularity of Employment

The Company is committed to working with suppliers that demonstrate the desire to cater for a workforce that is legally employed within a controlled, supportive and safe framework. The use of sub-contracting and home workers has been demonstrated to circumvent this duty of care and shall not form part of work contracting unless pre-authorized, necessary, and controlled.

1.8.1. To every extent possible, work performed must be on the basis of a recognized employment relationship established through national law and practice.

1.8.2. Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed term contracts of employment.

1.9. Subcontracting

1.9.1. Accordingly, there shall be no sub-contracting unless previously agreed in writing with *the Company*.

1.9.2. Suppliers must have adequate processes in place for properly managing subcontracting to ensure sub-contractors do not abuse, exploit or provide unsafe working conditions for their employees.

1.9.3 Subcontractors must agree to comply with the ethical code and be audited prior to production.

1.10. Harsh or Inhumane Treatment

The Company is dedicated to working with suppliers that do not use or tolerate harsh or inhumane treatment of their employees. Senior management in all suppliers shall foster a culture and code of conduct where abuse is not tolerated, and where issues can be resolved between all parties amicably.

- 1.10.1. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and/or verbal abuse or other forms of intimidation shall be prohibited.
- 1.10.2. A reporting process shall exist whereby employees can report incidents of physical or sexual abuse or discipline, bullying or intimidation to senior management.
- 1.10.3. An investigation and resolution process shall exist where senior management fairly investigate and record all incidents of physical or sexual abuse or discipline, bullying or intimidation.
- 1.10.4. Workers must be free to voice their concerns to the company or its agents, including through confidential worker interviews, and participate in the audit process without fear of retaliation by supplier management.
- 1.10.5. Supplier management will not coach workers in advance of auditor confidential interviews.

1.11. Discrimination

The Company supports all national and international discrimination laws and guidelines. It will not work with suppliers that treat people differently because of certain characteristics, such as race, color or gender, which results in the impairment of equality of opportunity and treatment.

- 1.11.1. There shall be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, color, caste, national origin, religion, age, disability, gender, marital or family status, pregnancy, political opinion, veteran status, military status, sexual orientation, gender identity, genetic information, union membership, political affiliation, or any other legally protected status. The Company recognizes these groups may be more vulnerable to exploitation.
- 1.11.2. In addition, the Company shall actively support all national anti-discrimination Laws.
- 1.11.3. Unless pregnancy, medical tests or physical exams are required by law then the results should not be used in a discriminatory manner.
The Company views mandatory pregnancy testing as a violation of women's rights and will not allow pregnancy testing as a pre-employment reason not to hire or a post-employment reason to fire an employee. Suppliers must comply with any work environment requirements protecting the health and safety of pregnant, post-partum, and lactating women.
- 1.11.4. Wherever required by law, the supplier shall provide childcare facilities.

1.12. Entitlement to Work and Immigration

The Company is dedicated to ensuring that the employees of all suppliers have a legal right to work, and whose eligibility for this has been ascertained by the checking and recording of appropriate documentation.

- 1.12.1. Only workers with a legal right to work shall be employed or used by the supplier.

1.12.2. All workers, including employment agency staff must be validated by the supplier for their legal right to work by reviewing original documentation and retaining records of such valid documentation.

1.13. Working Conditions

The Company shall only work with suppliers that put the safety and security of their workforce as a sincere, primary concern, both in factories and dormitories. Systems must be in place to ensure this, and regular compliance, recording of safety procedures and ongoing training shall be undertaken.

1.13.1. A safe, climate controlled, and hygienic working environment shall be provided for all workers, bearing in mind the prevailing knowledge of the industry and of any specific hazards. This standard applies to all facilities, including factories, dormitories, and canteens. Suppliers may have industry-specific dangers or hazards which are not specifically addressed in this Code, suppliers should adopt procedures to limit dangers to workers from these hazards. If industry-specific standards are more stringent than this Code, suppliers should meet industry standards.

1.13.2. Adequate procedures and safeguards should include, but not limited to proper equipment maintenance, established inspection routines, adequate worker training and protection, facility structure maintenance, and proper fire prevention. Further measures should be taken to prevent accidents and injury in the working environment by having adequate first aid supplies, exits clearly marked, unlocked and unblocked, at least two exits per floor, illustrated evacuation plan, functional fire extinguishers with valid inspection dates, sufficient lighting so manufacturing tasks may be safely performed, unrestricted access to potable water, clean and functional restrooms, adequate ventilation and no fire hazards. These are minimal requirements and suppliers should follow all applicable national and local laws, whichever are more stringent.

1.13.3. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

1.13.4. Access to clean toilet facilities with suitable privacy and to clean and drinkable water and, if appropriate, sanitary facilities for food storage shall be provided.

1.13.5. Accommodations, where provided, shall be clean, safe, and meet the basic needs of the workers including 2.5 square meters per worker in dorm rooms; each worker shall have a bed, ventilation, adequate lights and windows in room with unrestricted access to potable water and clean toilet and bathing facilities with suitable privacy. Each floor shall have at least two means of egress.

1.13.6. Suppliers will ensure that personal protective equipment (“PPE”) is available at workstations where PPE is required to be used during operations; workers are trained in its use and are required to use PPE relevant to their duties. Safeguards on machinery must meet or exceed local laws. All hazardous, flammable or combustible material should be stored in approved containers in designated areas.

1.13.7. Suppliers shall assign responsibility for health and safety to a senior management representative who shall work in accordance with an active, written Occupation Health and Safety policy.

1.13.8. Supplier facilities will be maintained in a manner that allows all people on site suitable emergency exit opportunities should the necessity for emergency exit occur. Further, facilities should have evacuation plans that employees are trained on and are posted in local languages in the facilities.

1.13.9. Food preparation and canteen areas shall have firefighting equipment, potable water, contained trash, two means of egress, no industrial chemical storage and shall be rodent and pest free.

1.14. Building and Structural Safety

The Company shall only work with suppliers who obtain the proper permits related to structural safety, building codes, and electrical systems.

1.14.1. The supplier's building and load-bearing structures and electrical systems are constructed according to local law, certified civil or structural engineering construction approvals, or international standards.

1.15. Grievance Mechanism and Whistleblower Protections

The Company believes that robust and transparent grievance systems, including protection for whistleblowers, are essential to creating a transparent and open workplace.

1.15.1. The Company expects suppliers to protect worker whistleblower confidentiality and prohibit retaliation against workers who report workplace grievances. Suppliers are required to create an anonymous and easily available mechanism for workers to report workplace grievances in a confidential manner.

1.16. Land Rights

The Company shall only work with suppliers that demonstrate a legal right to use the land where they operate.

1.16.1. Suppliers are required to demonstrate a legal right to use the land where they operate. Developments that take place on agricultural or forestry lands are subject to free, prior, and informed consent of the affected stakeholders.

1.17. Prevailing Civil Influences

The Company shall only work with suppliers that are mindful of prevailing civil conditions and how these may potentially affect their workforce.

1.17.1 Suppliers will remain mindful of prevailing local conditions (i.e., civil unrest, rioting) and ensure that workers' safety is maintained.

1.18. Continuous Improvement

The Company believes that good social compliance and labor standards implementation are most effective when conducted in partnership with our suppliers and require continuous improvement.

1.18.1. The Company promotes continuous improvement through innovation and collaboration with industry and partners, and we are committed to working with our suppliers to improve their labor standards implementation. We maintain the right to terminate a relationship at any time for failure to meet our Supplier Code of Conduct, failure to make improvements, or providing falsification or misrepresentation of records, including other illegal activities.

2. Environmental Standards

The Company believes that we all should take responsibility to protect the environment, including our suppliers, throughout our supply chain.

All suppliers to the Company shall ensure their facilities meet all relevant local and national environmental protection laws and strive to comply with international environment protection standards.

2.1. Environmental Compliance

2.1.1. All supplier facilities shall comply with all national and local environmental laws and regulations.

2.1.2. All supplier facilities shall obtain and keep current appropriate permits and certifications for environmental compliance in line with local and national laws. Supplier shall comply with reporting requirements of applicable permits and certifications.

2.1.3. All supplier facilities shall develop a process to identify, reduce, and dispose of all production waste and effluents in accordance with national and local environmental laws and regulations.

2.1.4. All supplier facilities shall implement controls to minimize their impact on the environment with respect to solid waste disposal, hazardous chemicals storage and management, air pollution and water emissions.

2.1.5. All suppliers shall have an Environmental Management System (“EMS”) in place and a qualified person with responsibility for communicating, deploying, and monitoring the environment practices within the facility. Training materials shall be used to train relevant individuals on each practice within the EMS.

2.1.6. All suppliers shall assess their ability to prevent and control harmful releases of industrial waste into the environment as a part of the EMS. The EMS should specifically address how and where solid, chemical, sanitary, and wastewater substances

are disposed. The EMS should also contain a detailed plan for handling accidental release or discharge of environmentally dangerous materials into the environment.

2.1.7. All suppliers shall maintain records of emission events, accidents, and disposals.

2.1.8. If the supplier has a wastewater treatment plant, then up to date and on-going water testing must be documented and shared during the audit.

3. Business Integrity

The Company believes that honesty, fairness and integrity must be exercised by all parties in order for business dealings to be professional and robust.

Of key concern are dealings with unlawful or improper payments, bribes, benefits or favors. The Company will not do business with suppliers that have involvement with these business practices, whether business-to-business or with their own workforce.

3.1. Bribery and Corruption

3.1.1. Suppliers shall at all times carry out business dealings with the highest degree of ethics, honesty and fairness.

3.1.2. Suppliers shall not engage in acts of bribery, extortion, embezzlement, corruption or unethical practices whether in dealing with public officials or individuals in the private sector. Further, suppliers must comply with all anti-bribery laws and regulations of the countries in which they operate, including but not limited to any law, rule, or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, including the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010, or any other law, rule or regulation of similar purposes and scope, at all times as well as anti-corruption laws and statutes in countries in which they operate.

3.1.3. Suppliers shall not falsify documents and records.

3.1.4. All supplier facilities shall have a written policy on ethical standards/business integrity that does not permit bribes, special favors, benefits or other similar unlawful behavior. All staff must be aware of this policy.

3.1.5. Supplier facilities shall also have a written policy on the giving and acceptance of gifts and shall have a process to investigate and report any violations to the policy

4. Management Policies and Procedures

The Company shall only work with suppliers that have an established management system that undergoes regular review and revision of policies and procedures that comprises the ethical running of a business with a scope related to the content of this Code.

Suppliers shall implement a management system for all its facilities providing materials or labor in the manufacture of goods ordered by the Company.

The management system shall be designed to ensure (a) compliance with applicable laws and regulations; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code.

4.1. Management Policies and Procedures

4.1.1. Policies and procedures are in place to ensure all supplier facilities (and any subcontractors employed) are aware of and comply with applicable laws, regulations and, where stricter, the Ethical Sourcing Code.

4.1.2. A management representative is appointed to implement the supplier's policies, procedures and improvement objectives.

4.1.3. The supplier has an implemented communication/grievance system, and workers are aware of and knowledgeable on how to use the system.

4.1.4. All employees (managers, supervisors, support staff, and workers) are held accountable to and trained on the supplier's Code of Conduct and/or the Ethical Sourcing Code. This training is embedded in the orientation process and employees are made aware of its importance to the business. Written records shall be retained as evidence of this training having been conducted.

5. Prohibition Against Specific Raw Material Origins

The Company prohibits the use of raw materials from specific countries either due to egregious human rights or labor abuses. Specifically, Company vendors are prohibited from sourcing or using cotton from Uzbekistan, Turkmenistan, Syria and Xinjian Province (China) in Company products.

The Company also prohibits the sourcing or use of tin (found in zippers and fasteners), gold (sometimes used as plating) or tungsten (used for dyes) from the following countries: Democratic Republic of Congo (DRC), Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda and Zambia unless a clear chain of custody back to the smelter can be provided and the smelter must be a member of the www.responsiblemineralsinitiative.com (RMI) and listed as audited as conflict-free.

Vendors are responsible for the sourcing of all materials they use in Company products and must provide all information and documentation relating to their sourcing for Company products. If any product is found to have sources from the countries listed above and in the case of minerals don't have a conflict free certification, the Company shall refuse the goods at vendor's sole cost.

Suppliers shall provide to the Company reasonable documentary evidence of their compliance with this standard, including providing annual conflict minerals reports using the standard reporting template developed by the RMI and making all related supporting records available to the Company upon request.

I information and documentation is not provided when requested concerning sourcing, the Company may terminate business relations with the vendor.

The Company reserves the right to update and amend this list of prohibited “conflict” sources at any time.

Appendix

A.1 Compliance with the Code

The Company expects its suppliers to comply with all aspects of this **Ethical Sourcing Code** and will be extending its coverage of audited facilities and compliance monitoring processes to include these standards.

In accordance with this policy, we and/or our representatives may from time-to-time visit supplier facilities in order to check compliance with this Code and may at any time request documentation supporting compliance with this Code and all applicable laws. Any and all instances of violation of the Code will be documented, reported upon and investigated. Follow-up and corrective action shall be required, and suppliers are expected to cooperate professionally with the entire process.

The Company is committed to working closely in partnership with its suppliers to help achieve compliance with this Code. In the event any supplier is unwilling or unable to demonstrate continuous improvement towards full compliance with our standards, fails to provide unrestricted access to accurate information -including all physical locations within the facility, including dormitories, relevant documents, and access to workers for confidential and private interviews-, conducts unauthorized subcontracting, provides falsified documentation, records or audit reports or coaches its workers to answer social auditor questions, The Company reserves the right to terminate the trading agreement between *the Company* and the supplier.

In support of the Ethical Sourcing Code, we expect vendors, suppliers and their facilities to:

- Have reviewed the **Ethical Sourcing Code** and supporting documents.
- Have clearly understood the company’s expectations and the associated procedures, clarifying any and all areas that are deemed unclear.

- Agree by signatory conformity to the **Ethical Sourcing Code** that they and their facilities may at any time be selected for an audit by the Company or a third-party representative.
- Agree by signatory that they will comply with the Company requests for unrestricted access and documentation to ensure compliance with this Code and all applicable laws.
- Be available, transparent and cooperative with Company representatives during any audit and/or investigation.
- Agree to undertake any and all corrective actions to the best of their ability for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.