

## TEXHONG TEXTILE GROUP

Texhong is committed to caring for and respecting all people regardless of gender, race, ethnicity, religion, nationality, age, or other status. To ensure that our values are upheld throughout both our company and our supply chain, we have established this Supplier Code of Conduct.

### SUPPLIER CODE OF CONDUCT

#### **1. Ethical Standard**

Texhong respects the legal, ethical, and moral standards and beliefs of all people and cultures with which we do business, and we ask all our suppliers to do the same. Suppliers to Texhong are required to operate in full compliance with all laws and regulations in their respective countries.

#### **2. Subcontractors**

Texhong suppliers shall take steps to ensure that their suppliers and/or subcontractors also operate in a manner consistent with this Code of Conduct. Suppliers must disclose any subcontracted processes prior to production and receive approval from Texhong.

#### **3. No Involuntary Labour**

Suppliers shall not use any forced or involuntary labour. All work must be voluntary and employees shall be able to leave work or terminate their employment with reasonable notice.

#### **4. No Child Labour**

The use of child labor by Texhong suppliers is strictly prohibited. Suppliers shall employ only workers who meet the minimum age requirement applicable to that country.

#### **5. Wages and Hours**

Suppliers shall pay at least the minimum wage required by applicable local law and provide all legally required benefits. All employment conditions, including compensations, working hours, vacation time, leave periods, and holidays must be consistent with applicable laws and regulations.

#### **6. Working Conditions**

Suppliers shall provide their employees with a safe and healthy working environment in compliance with applicable laws and regulations. Employees shall not be subject to hazardous and unsanitary conditions.

**7. Freedom of Association & Collective Bargaining**

Suppliers shall respect the rights of employees to associate, organize and bargain collectively.

**8. No Discrimination & Harassment**

Suppliers shall ensure a workplace free of discrimination and harassment. No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement, based on gender, race, ethnicity, religion, age, disability, sexual orientation, or other status. Suppliers shall not threaten employees with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities.

**9. Environmental**

Suppliers shall comply with environmental rules, regulations and standards applicable to their operations, and will adopt responsible measures to mitigate negative impacts that the workplace has on the environment. This includes hazardous waste disposal, waste management practices, air emissions, water treatment and other significant environmental risks.

**10. Procurement Ethics**

Texhong's business relationship with its suppliers is based solely on the supplier's merits regarding prices, excellent quality, prompt delivery and efficient services. Therefore, no payments, gifts, rewards or gratuities of any kind shall be made directly or indirectly to Texhong employees, staff or agents in consideration of the business being placed with supplier.

**11. No Bribery & Corruption**

Texhong follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. Suppliers shall not engage in any form of bribery, corruption, extortion, and embezzlement. Suppliers shall have a company-wide Code of Conduct, including measures to eliminate corruptions as well as an appropriate whistleblowing procedure.

**12. Fair competition**

Texhong requires suppliers to comply with all applicable competition laws and shall not enter into or participate in any meetings with customers, distributors, suppliers or other business partners in relation to agreed trade practices or engage in any other violation of competition laws that may be deemed disruptive or anti-competitive.

**13. Protect assets and Information**

Texhong requires suppliers to:

- Careful handling of Texhong's assets.
- Protect Texhong's confidential information from unauthorized use or disclosure.
- Process personal data in accordance with applicable law.
- May not issue any public announcements, press releases or publicly disclose other information relating to Texhong without Texhong's consent.
- Respect the intellectual property rights of Texhong and others.

**14. Ensure the compliance**

Texhong requires suppliers to:

- Allow Texhong to verify compliance with the "Supplier Code of Conduct" through dialogue and, if deemed necessary by Texhong, to conduct an on-site audit through internal or external resources to verify. On-site audit will be informed prior to the audit.
- Accurate and timely response to Texhong's investigation.
- Understand that any breach of law or "Supplier Code of Conduct" or failure to take corrective action will be deemed breach of contract by Texhong and Texhong has the right to terminate the business relationship with the supplier.
- Provide ways for employees to voice their concerns about misconduct and suggest improvements or provide their feedback anonymously.
- Immediately report through the following ways (including report of Texhong's employees) if a breach of this "Supplier Code of Conduct" is suspected or found which may have an impact on the business relationship between the parties or on Texhong:
  - ✓ Telephone: +86-21-20680206\20680285
  - ✓ E-mail: [jubao1@texhong.com](mailto:jubao1@texhong.com); [jubao2@texhong.com](mailto:jubao2@texhong.com)
  - ✓ Letter: Office of the Director-General, Floor 23, Building C, No.88 Second East Zhongshan Road, Bund Soho,Huangpu District, Shanghai, P.R.C., 200001
  - ✓ Texhong official website: Report channel
  - ✓ Report through appointment visit
  - ✓ Other forms that the informants think appropriate

Texhong will carefully review reports of misconduct and keep them as confidential as possible.