

Pou Chen Group

Supplier Sustainability Code of Conduct

To strengthen partnerships and jointly advance sustainable development, Pou Chen Group (hereinafter referred to as the “Group”) has developed this Supplier Sustainability Code of Conduct (hereinafter referred to as the “Code”) with reference to international principles and standards, including but not limited to: the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions and Fundamental Principles and Rights at Work, the Principles of Fair Labor & Responsible Sourcing (FLA), ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System.

The Code also reflects the Group's own guidelines, including but not limited to the Code of Conduct, Ethical Corporate Management Best Practice Principles, Sustainable Development Best Practice Principles, Climate Change Adaptation Policy, and Supplier Friendly Workplace Guidelines.

This Code aims to ensure that the Group's operations and supply chain practices comply with legal requirements and brand expectations, respect international human rights and sustainability principles, actively fulfill corporate social responsibility, promote environmental sustainability, and safeguard workers' fundamental rights.

The Group expects its suppliers to uphold the same standards, thereby jointly fulfilling corporate social responsibility. We specifically urge all suppliers of the Group to comply with applicable laws and regulations of the jurisdictions in which they operate and to adhere to this Code in all areas of their business activities. Where a supplier is found in violation of this Code, the Group will, after assessing the severity of the situation, require corrective actions, suspend business dealings with the supplier, or pursue legal actions to ensure effective fulfillment of its corporate social responsibility.

1. Responsible Business Practices and Ethical Corporate Management

Suppliers must establish a corporate culture and business model based on integrity, transparency, and compliance. This includes anti-corruption, data

confidentiality, product safety, and raw material management systems, while avoiding any negative impact of their products on the environment and human rights.

- (1) **Legal Sourcing and Risk Control of Raw Materials:** Suppliers must ensure that all sourcing is legal and traceable, avoiding any involvement in illegal logging, human rights violations, or unsustainable sources.
- (2) **Continuous Improvement and External Certification:** Suppliers are encouraged to follow industry standards and participate in external sustainability assessments or certifications, including but not limited to the Higg Index, Zero Discharge of Hazardous Chemicals (ZDHC), Leather Working Group (LWG), Fair Trade Certification, Bluesign, Forest Stewardship Council (FSC), Global Organic Textile Standard (GOTS), and Global Recycled Standard (GRS). Suppliers should regularly review their internal policies and improve implementation effectiveness.
- (3) **Prohibition of Corrupt and Dishonest Conduct:** Suppliers must not directly or indirectly solicit, demand, offer, promise, give, or accept commissions, kickbacks, or improper benefits, nor engage in any conduct involving dishonesty, illegality, or breach of fiduciary duties. If a supplier becomes aware of such conduct by any personnel, they must promptly report the individual(s) involved, the method and amount of misconduct, and other relevant information to the Group (HQ@pouchen.com). Suppliers must provide supporting evidence and fully cooperate with the Group's investigation.

2. Environmental Protection and Climate Action

Suppliers must prioritize environmental management and the sustainable use of natural resources, reducing ecological impacts throughout all aspects of operations—from product design, energy and resource use, to waste management.

- (1) **Environmental Compliance and Regulation:** Suppliers must obtain and maintain all legally required environmental permits and submit accurate emission and treatment reports.
- (2) **Pollution Prevention and Waste Management:** Suppliers must prevent water, air, and soil pollution, adopt clean production technologies and best available practices, implement waste classification, source reduction, reuse, and safe disposal, and must not engage in illegal dumping or open-air storage.

- (3) **Water Resource Management:** Suppliers must implement water conservation and reuse measures, ensure compliance in wastewater (effluent and sewage) treatment, and promote water resource risk assessments and water body protection initiatives.
- (4) **Zero Deforestation and Biodiversity Conservation:** Suppliers must ensure that raw materials are not linked to illegal deforestation, and must respect local ecosystems, and protect endangered species and habitats.
- (5) **Energy Transition:** Suppliers must actively promote energy transition, prioritize renewable energy adoption, introduce high-efficiency energy-saving equipment, and continuously improve energy efficiency to minimize environmental impact.
- (6) **Scientific Carbon Reduction and Climate Governance:** Suppliers are encouraged to conduct greenhouse gas inventories and disclosures in accordance with ISO 14064-1, the GHG Protocol, and local laws and regulations, with third-party verification to ensure data accuracy. Suppliers are further encouraged to set measurable carbon reduction targets aligned with the Science Based Targets initiative (SBTi), and to disclose environmental and climate dependencies, impacts, risks, opportunities, and performance in line with local laws and industry standards, in order to enhance governance transparency and adaptive resilience. Carbon reduction transition strategies is encouraged to incorporate the principle of Just Transition, balancing labor rights, community welfare, and economic equity, to ensure that environmental sustainability and social justice go hand in hand.

3. Human Rights and Labor Rights

Suppliers must establish a labor code of conduct in line with internationally recognized labor and human rights standards, and ensure that all workers (including permanent employees, temporary workers, contract workers, migrant workers, interns, etc.) are treated fairly, with dignity, and provided a safe working environment.

- (1) **Prohibition of Child Labor and Remedial Measures:** Suppliers must not employ child labor as defined by local labor laws or the Group's Code of Conduct (whichever is stricter). If child labor is discovered, suppliers must immediately remove the child from the workplace, ensure safe return to their family, initiate remediation measures, and implement corrective actions to prevent recurrence.

- (2) **Prohibition of Forced Labor and Unlawful Restrictions on Freedom of Movement:** Suppliers must not engage in any form of forced labor, including but not limited to debt bondage, contract servitude, illegal detention, confiscation of identity documents, or charging recruitment fees. Workers must be free to move within the workplace during working hours and free to leave after hours. All employment relationships should be based on free will.
- (3) **Prevention of Unlawful Workplace Violations; Zero Tolerance for Any Form of Harassment, and Discrimination:** Suppliers must provide a safe, discrimination-free, and gender-friendly working environment and facilities. Mechanisms must be in place to prevent unlawful workplace violations, including grievance handling procedures, internal investigations procedures, and protection measures for complainants and victims. Retaliation against complainants is strictly prohibited. Regular training must be provided on labor rights and workplace protections.
- (4) **Working Hours and Wages:** Working hours must comply with legal standards. Normal working hours must not exceed 48 hours per week, and total working hours including overtime must not exceed 60 hours per week under normal circumstances. Overtime must be voluntary and legally compensated. Workers must be provided at least one continuous 24-hour rest period within every 7 days. Wages must not be lower than the legal minimum wages and must be paid on time.
- (5) **Non-Discrimination and Fair Treatment:** Suppliers must ensure that workers are not subjected to discrimination, harassment, abuse, or unfair treatment based on gender, sexual orientation, age, race, social class, religion, nationality, place of birth, language, political affiliation, marital or pregnancy status, physical appearance, disability, zodiac sign, blood type, union membership, or any other characteristic, in matters related to recruitment, employment, compensation, promotion, training, disciplinary action, termination, retirement, or other labor rights and welfare.
- (6) **Freedom of Association and Collective Bargaining:** Suppliers must not obstruct or suppress workers' legal rights to form, join, or participate in trade unions or collective bargaining activities.
- (7) **Protection of Vulnerable Workers:** Suppliers must provide reasonable work arrangements and necessary protections for vulnerable workers such as underage workers, pregnant or nursing workers, and workers with disabilities, and should comply with local legal requirements for working hours, leave entitlements, and restrictions on hazardous or high risk work.
- (8) **Grievance and Communication Mechanism:** Suppliers must establish confidential, non-retaliatory grievance mechanisms, ensure timely handling and responses, and promote transparency and accessibility. Regular

communication platforms must be established to build trust between labor and management.

4. Health, Safety, and Hygiene

Suppliers must endeavor to provide safe and hygienic workplaces, implement risk management and preventive measures, and minimize occupational injuries and illnesses.

- (1) **Occupational Safety System and Risk Assessment:** Suppliers must comply with all local occupational safety and health laws and regulations and establish comprehensive management systems. Risk identification and prevention must be carried out for machinery, heavy loads, work at heights, confined spaces work, chemicals, ergonomics, and biological hazards.
- (2) **Chemicals and Hazardous Substances Management:** All chemicals must be clearly labeled in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). Suppliers must provide accessible and understandable Safety Data Sheets (SDS). Restricted and prohibited substances must be managed in compliance with applicable laws, brand requirements, and international standards such as ZDHC MRSL and REACH.
- (3) **Fire Safety and Emergency Preparedness:** Suppliers must provide adequate firefighting equipment, emergency exits, and evacuation routes in compliance with laws and regulations, conduct regular fire drills and emergency response training, and perform inspections and maintenance of firefighting equipment and systems. Emergency response plans must cover fires, chemical spills, and natural disasters.
- (4) **Medical Aid and Sanitation Facilities:** Suppliers must provide appropriate medical aid equipment and services to ensure workers receive timely medical treatment. Factories and dormitories must meet basic public health and sanitation standards.
- (5) **Prevention of Occupational Injury and Disease:** Suppliers must establish mechanisms for the prevention of occupational injuries and diseases, implement accident reporting and investigation procedures, conduct regular safety and health training, and arrange special health checks for workers engaged in hazardous operations in compliance with laws and regulations.