
3. Workplace Code of Conduct

At LT Apparel Group, we are committed to.

- *a standard of excellence in every aspect of business and in every corner of the world.*
- *ethical and responsible conduct in all our operations; and*
- *respect for the rights of all individuals.*

We expect these same commitments to be shared by all manufacturers of LT Apparel Group' merchandise. In the selection of our suppliers, LT Apparel Group works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of LT Apparel Group.

This Code of Conduct applies to factories that produce goods for LT Apparel Group, or any of its partner offices and agents.

While LT Apparel Group recognizes that there are different legal and cultural environments in which factories operate throughout the world, this Code of Conduct sets forth the basic minimum requirements all factories must meet in order to do business with LT Apparel Group.

While providing opportunities of remediation, ultimately, LT Apparel Group will not do business with facilities that are unwilling or unable to meet the standards in this "Code of Conduct".

3.1 Laws and Regulations

LTAG social compliance requirements contain the minimum standards on that must be met by all our agents, manufacturers, other service providers, warehouses, and subcontractors ("Suppliers") that do business with LT Apparel Group. Also, all our business partners must comply with all applicable laws and regulations of the countries in which they operate, and the standards set out in social compliance manual throughout their operations and their entire supply chain. Suppliers must ensure they have adequate Manpower, effective policies, procedures, training, and record-keeping practices in place to ensure their compliance and the compliance of their supply chains. LTAG will review and may terminate its relationship with any supplier that is unable to demonstrate its compliance with the social compliance or contractual requirements.

3.2 Child Labor

Suppliers must not employ workers under the age of 15 years or 14 where the local law allows such exception consistent with International Labor Organization guidelines or the age for completing compulsory education or the minimum age established by law in the country of manufacture. In addition, Suppliers must comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions. Please refer to the child labor policy.

3.3 Forced Labor, Modern Slavery and Human Trafficking

Suppliers must ensure that all workers work on a voluntary basis and are free from exploitation. Suppliers must not use labor defined as forced labor under any United States law such as Uyghur Forced Labor Prevention Act (UFLPA) and ILO forced labor indicators accompanying guidance. https://www.cbp.gov/sites/default/files/assets/documents/2021-Jan/Forced%20Labor%20Indicator-reduced_0.pdf Suppliers must not use involuntary labor of any kind, prison labor, indentured labor, bonded labor, labor obtained through human trafficking, coercion, or slavery in LTAG supply chains. Suppliers must treat all workers with respect and dignity. No worker shall be subject to physical, sexual, psychological or verbal harassment or abuse or monetary fines. Suppliers need to ensure that the workers are not mistreated. Some indicators of Modern slavery are abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identify documents, withholding of wages, debt Bondage, abusive working and living conditions and excessive overtime. Pls refer following link for US customs requirements. [Forced Labor | U.S. Customs and Border Protection \(cbp.gov\)](#)

3.4 Transparency

Transparency is fundamental to meaningful partnerships between LT Apparel Group and our suppliers. All Suppliers must provide authentic and reliable records (for example: worker's attendance, payroll) for 3rd party audits. Auditors must be able to conduct the audits, interview to workers without restriction and without retaliation. When a facility is not transparent, it negatively affects a facility's rating and business relationship, Transparency can be achieved through honest and open communication between facility management and LT Apparel Group.

3.5 Brand Protection

LT Apparel Group is committed to the protection of owned and licensed brands. Please refer separate brand protection policy documentation. LTAG expects complete adherence to the policy. Violation in this code will result in business termination.

3.6 Hours of Work

On a regularly must ensure that, except in extraordinary business circumstances, on a regularly scheduled basis, workers shall not be required to work more than the lesser of sixty (60) hours per week, including overtime or the limits on regular and overtime hours allowed by the law of the country of manufacture. In addition, except in extraordinary business circumstances, all workers shall be entitled to at least one day off in every consecutive seven-day period.

3.7 Wages and Benefits

Suppliers must pay all wages, overtime, and legally mandated benefits regularly, on time, with documentation and in accordance with applicable laws. Suppliers must pay at least the minimum wage, the industry wage, or the wage negotiated in a collective agreement, whichever is higher. Suppliers must not deduct wages that are not provided for by applicable local law. Suppliers are encouraged to pay employees of all genders a wage that not only meets basic needs but also provides discretionary income.

3.8 Foreign or Migrant Workers

Suppliers can use foreign or migrant labor, in case any foreign or migrant workers are engaged in LTAG supply chains, they are to be employed in full compliance with the labor and immigration laws of the host country. Migrant workers should be provided with contracts, treatment, and wages that equal those of local workers. Suppliers need to adopt and adhere to LTAG's migrant worker policy and in line with USA Regulations on North Korean workers Policy.

Reference:

https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:55:0::NO::P55_TYPE,P55_LAN G,P55_DOCUMENT,P55_NODE:CON,en,C097,/Document

3.9 Harassment and Abuse

Suppliers must treat all workers equally with respect and dignity. No worker shall be subject to corporal punishment, or physical, sexual, psychological, or verbal harassment or abuse. In addition, Suppliers should not use monetary fines as a disciplinary practice.

3.10 Women's Rights

Suppliers must ensure women workers receive equal treatment in all aspects of the employment. Pregnancy tests will not be a condition of employment, and pregnancy testing – to the extent provided – will be voluntary and the option of the worker. In addition, workers will not be forced to use contraception.

3.11 Non-Discrimination

Suppliers must ensure employment including hiring, salary, benefits, advancement, discipline, termination and retirement - should be based solely on the person's ability to perform the job requirements and not the person's beliefs or any other personal characteristics include, but are not limited to, the following: Race, Color, Religion, Sex, Age, National Origin, Disability, Pregnancy, Marital Or Partnership Status, Sexual Orientation, Gender Identity, Veteran's Status, Caste, Political Opinion.

3.12 Freedom of Association and Collective Bargaining

Suppliers must recognize and respect the rights of workers to exercise lawful rights of free association, including joining or not joining any association. Suppliers must also respect the legal right of workers to bargain collectively.

3.13 Health and Safety

Suppliers must provide a safe and healthy working environment in accordance with applicable laws and regulations. This includes health and safety standards related to building structures and facilities, electrical safety, fire safety, building safety, machinery safety, chemical safety, pressure vessel, sanitation, emergency preparedness, first aid, personal protective equipment, and other safety policies. Suppliers must not expose anyone to situations that are hazardous, unsafe, or unhealthy, and must provide adequate personal protection from exposure to such conditions and materials.

3.14 Grievance Mechanism

Suppliers must provide methods for workers to raise concerns to supplier management without fear of retaliation. Suppliers are encouraged to ensure such concerns can be raised anonymously and/or confidentially if the worker so chooses. The grievance mechanism must be accessible to all workers. Suppliers must track and record employees' submissions and the progress of their resolution.

3.15 Environment

Suppliers must comply with all applicable environmental laws and regulations in the country of operation. In addition, Suppliers must have policies and procedures in place to manage, track and record, and minimize environmental impacts to energy, air, emissions, waste, and water, and to safely store, prevent or mitigate releases of chemicals and hazardous materials.

3.16 Unauthorized Subcontracting

Suppliers must not use any unauthorized subcontractors in the manufacture of products or product components for the LTAG without disclosing such information to the LTAG, and only after the subcontractor has adequately demonstrated compliance with these Social Compliance Standards. Please refer to the Unauthorized subcontracting policy.

3.17 Traceability

LTAG and its suppliers are jointly responsible for ensuring the integrity of our traceability standards are upheld from the farm through the finished goods factory level. Our suppliers are required to continuously track and monitor all facilities in all tiers of their supply chain. Upon request, suppliers must be able to provide PO's, invoices, and shipping documents for all raw materials and production for authorized subcontracted and/or owned factories, mills, dye/print houses, and farms they work with to produce LTAG products.

3.18 Transshipment

LT Apparel Group expects the suppliers to meet the US customs requirement to prove the country of origin. No Transshipments are allowed under any circumstances.

3.19 Modern Slavery

Modern slavery refers to situations where individuals are exploited through coercion, deception, or abuse of power for economic or personal gain. It encompasses various forms of forced labor, human trafficking, debt bondage, and other practices where people are

controlled and exploited. Modern slavery is a grave violation of human rights and is prevalent in industries such as textiles, agriculture, construction, manufacturing, and domestic work, as well as in supply chains of goods and services worldwide. Efforts to combat modern slavery include legislative measures, corporate responsibility initiatives, and international cooperation to protect vulnerable individuals and eradicate this egregious practice.

By adhering to law requirements, All the LTAG suppliers must contribute to ethical sourcing practices and ensure compliance with international labor standards, thereby promoting fair and safe working conditions throughout their supply chains without any deviations. If you would like more details about the Modern Slavery Act, please click the link provided below.

References: <https://www.state.gov/what-is-modern-slavery/>

3.20 Anti-Corruption

Suppliers must comply with all applicable laws relating to bribery, money laundering, terrorist financing, and/or corruption, including, but not limited to, the U.S. Foreign Corrupt Practices Act (FCPA). LTAG also prohibits commercial bribes. Suppliers must not directly or indirectly offer or give money or anything of value to any representative of another company to secure an improper advantage. Suppliers must keep an accurate, written accounting of all payments relating to Suppliers' engagement with LTAG. If requested, Suppliers must provide LTAG with a copy of this accounting or assist LTAG with any activities required by any government or agency.

3.21 Animal Welfare

Suppliers must adhere to codes of practice that meet or exceed expectations that animals are treated ethically and responsibly, based on the internationally accepted "Five Freedoms." LTAG does not sell any products made with genuine animal fur or exotic animal skins.

3.22 US Customs Border & Protection (CTPAT)

Suppliers must comply with all applicable laws and regulations global trade, including U.S. Customs forced labor law. Suppliers must also establish programs and maintain documentation to support country-of-origin production verification and preferential trade claims. Suppliers must comply with international supply-chain security requirements as per U.S. Customs Trade Partnership Against Terrorism (CTPAT) standards, for more details refer to LTAG – CTPAT Manual from LTAG Import Department.

3.23 The German Supply Chain Due Diligence Act

German due diligence law for suppliers, particularly under the Supply Chain Due Diligence Act, requires to identifying, prevent, and mitigate human rights and environmental risks in the LTAG global supply chains. This law mandates that companies conduct risk assessments, implement risk management systems, and monitor their suppliers to ensure compliance with labor rights, environmental standards, and other ethical principles. Therefore, all LTAG supply chain partners must implement effective risk mitigation strategies, monitor their supply chain operations, and annually report on their due diligence efforts. Non-compliance can lead to Penalties and reputational damage for companies selling to the German market. Penalties are typically determined based on the severity and impact of the violations related to human rights abuses, environmental harm, or other breaches of due diligence obligations within the supply chain. The Penalties can vary widely and are assessed on a case-by-case basis by regulatory authorities. For precise information on penalties related to the Supply Chain Due Diligence Act, it would be necessary to refer to the official website of The Federal Ministry for Economic Cooperation and Development (BMZ) for the most current details.

Reference: <https://www.bmz.de/de/themen/lieferkettengesetz>

Note: This law is exclusively applicable to all adidas factories.

3.24 Continuous Improvement

LT Apparel Group operates within the continuous improvement model. Continuous improvement means a commitment to achieving compliance through realistic and measurable plans that incorporate operational and economic realities. A product of transparency and cooperation, continuous improvement is critical to creating incentives for sustainability and improving the lives of individuals who make our product. Continuous improvement plans are based on mutually agreed-upon milestones and regular progress.

3.25 Communication

Suppliers must communicate the provisions of The LTAG Social Compliance workplace Standards to all their employees and it must be displayed inside the factory.

3.26 Monitoring and Compliance

The LTAG will undertake affirmative measures, such as announced or unannounced on-site audits of production factories, to monitor compliance with these social compliance Standards. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the Social Compliance Standards, and Suppliers must allow Associates and/or representatives from The LTAG full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits. Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. Suppliers are expected to actively engage in remediation – including timely preparation and presentation of a Corrective & Preventative Action Plan (CPAP) plan.

The LTAG reserves the right to terminate its business relationship with any Supplier who is unwilling to comply with these Social Compliance Workplace Standards and Corrective Action Plans Implementation.