

## Arch Textiles Manufacture Corp. Code of Conduct for Production Partners

Arch is working to creating a better future through sustainable textile innovation. We are committed to transparency, environmentally sustainability and the highest standards of corporate social responsibility. We promise to respect the basic dignity of all our stakeholders and believe in the importance of ensuring dignified working conditions throughout the manufacturing process of our products. This Code of Conduct sets the minimum standards to be met by all production partners involved with Arch Textiles' products. It is drawn from the UN Global Compact's ten principles, the international workplace norms of the ILO convention, and the UN's Guiding Principles on Business and Human Rights.

### 1. Child and Youth Labor

Production partners may not use child labor, defined as children under the age of 16 or younger than the legal compulsory age for completing education—whichever is higher.

### 2. The elimination of forced or compulsory labor

All labor is voluntary and not performed under threat of penalty or coercion. All workers have access to and/or control of their citizenship documents at all times, and all labor contracts are written in their native language clearly outlining the employment relationship. Workers' freedom of movement shall not be restricted in either their workplace or living quarters.

### 3. Coercion and Harassment

Production partners must treat all workers with respect and dignity. Production partners shall not engage in or permit any forms of abuse, including physical, verbal, or psychological abuse, or any forms of harassment, including sexual harassment. Production partners shall have a written harassment policy and a written system of disciplinary action

### 4. Adherence to local and national law

Production partners must comply with all applicable local, national laws and regulations, legal requirements, and applicable treaties in the country or countries in which they operate.

### 5. Fair Remuneration

Worker wages, overtime pay, benefits, and paid leave meets or exceeds the legal minimum, industry standards, or collective bargaining agreements—whichever is higher. Every employee, regardless of position, race, and/or gender, has the right to compensation for a regular workweek that is sufficient to meet basic needs and allow for discretionary income. Wages are paid in a timely manner and all legally mandated benefits, including holidays and leaves, are satisfied.

### 6. Freedom of association and rights to collective bargaining

We respect and recognize the legal rights of employees' freedom of association, collective bargaining, and participation in workers' unions, and organizations of their choice without harassment or penalty. We expect production partners to implement grievances mechanisms that allow all workers to confidentially communicate their concerns to the production partner's management team and/or the employee representative without the risk of retaliation and with means for remedying the grievance.

### 7. Regular and overtime working hours

We strive to ensure that the total hours worked do not exceed 60 hours per week, inclusive of overtime, unless exceptional circumstances occur. Overtime is voluntary and mutually agreed on, and employees are compensated according to local law or the industry standard (whichever is higher). Workers have at least one (1) rest day in any seven (7) day period. Production partners should maintain accurate time-in/out records of each worker.

### **8. Protection of the environment**

Arch is working to meet the highest standards of environmental sustainability. Our production partners must comply with all applicable laws and strive to improve their environmental performance by working to meet the requirements set by Arch Textiles.

### **9. Safe and healthy working conditions**

Production partners are expected to provide all workers with safe and healthy work conditions. Partners are expected to ensure building and fire safety, safety of machinery and equipment, provide access to potable water and suitable sanitary facilities, and safely handle chemicals. Female workers are not be exposed to hazards that may endanger their reproductive health.

### **10. The elimination of discrimination**

Production partners employ workers on the basis of their ability to do the job, without regard to their gender, age, religion, marital status, race, sexual orientation, disability, disease, nationality, pregnancy, trade union, political affiliation, socio-economic situation, or any other classification covered under the applicable law. Production partners must ensure that all female workers receive equal treatment in all aspects of employment.

### **11. Dormitories**

Production partners shall ensure that the quality of any housing accommodations they offer to workers is at least equal to local independent housing and that the living environment is clean, healthy, and safe for all residents. It must provide adequate privacy, security, ventilation, and living space for all residents. It must comply with applicable standards for public residences in the countries and regions in which they are located.

### **12. Documentation and Communication**

Production partners shall establish and maintain management systems and internal rules that ensure compliance with all the requirements in this code of conduct. Such rules shall be communicated to all management and workers.

### **13. Monitoring and Compliance**

Production partners must allow Arch and its designated agents to access all workers, all facilities, including manufacturing and worker housing facilities, and relevant documents to confirm compliance with the code of conduct, with or without notice provided in advance.

### **14. Corrective Action**

When violations are found, Arch and the production partner will agree on a corrective action plan that resolves the problem within a reasonable timeframe. If it is found that a production partner has not resolved or has not taken agreed upon action to resolve violations, Arch will take actions, which may include immediate cancellation of orders and/or termination of business with the production partner.

### **15. Subcontracting and Procurement**

When production partners subcontract production orders submitted by Arch Textiles to subcontractors, production partners shall ensure that all business activities by such subcontractors comply with this code of conduct. Additionally,

when production partners procure raw materials or indirect materials necessary for the manufacture of our products from third parties, production partners shall not conduct business with suppliers whose business activities violate this code of conduct. In the event that production partners will use any subcontractors and/or procure any raw materials or indirect materials necessary for the manufacture of our products from third parties, the consent of Arch Textiles shall be obtained prior to engaging such third party. In the event Arch Textiles wishes to confirm that the business activities of the subcontractors and/or suppliers of a production partner are in compliance with this code of conduct, the production partner shall address such requests in good faith and cooperate as required by Arch Textiles.

## 16. Transparency and Integrity

Arch Textiles expects our production partners to carry out business in an ethical and transparent manner. Arch Textiles does not tolerate any forms of unethical behavior, including bribery, concealment or falsification of records, or influencing workers to mislead Arch Textiles and its designated agents.

As a corporate representative of a production partner of Arch Textiles, I have read and fully understand the terms and content in the code of conduct stated above. Our company has confirmed Arch Textiles' factory monitoring evaluation system and we understand that failure to comply with this Code of Conduct may result in the immediate cancellation of orders and/or termination of business with Arch Textiles. In the event that violations are found, we pledge to actively work to remedy the violation. I hereby agree that this document shall take effect on the executed date below and shall remain in effect throughout the course of the transactions and business with Arch Textiles. Additionally, this document shall be made available to factory workers in written form and relevant languages

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Signature

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Full name (in block letters)

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Title

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Date (DD, MM, YYYY)

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Company name

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Address

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Telephone