

Supplier Code of Conduct

In consideration of the mutual agreements made between Eclat Textile Co., Ltd. (hereinafter referred to as "the Company") and its suppliers in contracts for processing and manufacturing, both the suppliers and their subcontractors agree to adhere to the Supplier Code of Conduct established by the Company. The Company is committed to ensuring the safety of the supply chain work environment, respecting and protecting employees, promoting environmental conservation, and upholding ethical standards through this Code of Conduct. The Company requires suppliers to comply with this Code of Conduct, as well as the laws and regulations of the countries and regions in which suppliers operate. The Company also encourages suppliers to request their suppliers, contractors, and service providers to acknowledge and adopt this Code of Conduct.

Compliance with this Code of Conduct by suppliers will be one of the factors considered by the Company when evaluating cooperation. In the event of a violation of this Code of Conduct, unwillingness to cooperate with the Company or third-party auditors, or failure to comply with requested improvements within the specified timeframe, the Company reserves the right to terminate contracts and cancel all orders in writing. Suppliers and their subcontractors shall be liable to the Company for damages resulting from the termination of contracts and cancellation of orders.

This Code of Conduct is established with reference to internationally recognized standards, including:

1. Ethical Management

(1) Integrity in Business Management:

Suppliers should adhere to the highest standards of integrity in all business interactions. Suppliers should adopt a zero-tolerance policy against bribery, corruption, fraud, extortion, and embezzlement.

(2) Avoidance of Improper Benefits and Conflict of Interest:

Suppliers should not promise, offer, approve, give, or receive bribes or any other form of improper benefits to obtain or retain business, transfer business to others, or gain improper advantages. The commercial engagement between suppliers and the company should avoid any potential conflicts of interest. Any interaction must adhere to the boundaries of standard business dealings, and any instances of conflicts of interest must be reported to the company immediately.

(3) Transparency of Information:

All business transactions should be transparent, with complete and accurate records of information and documents maintained. Information related to labor engagement, health and safety, environmental activities, business operations, organizational structure, financial status, supply chain, and performance should be disclosed in accordance with applicable laws and industry practices. Records should not be falsified, and the status or practices of the supply chain should not be misrepresented.

(4) Intellectual Property:

Suppliers should respect intellectual property rights, transmit technology and production knowledge in a manner that protects intellectual property, and safeguard the data of customers and suppliers.

(5) Responsible Mineral Procurement:

If the raw materials provided by the supplier include tantalum, tin, tungsten, gold, or cobalt, policies should be established and due diligence conducted to reasonably ensure the source of minerals in the supply chain does not involve transactions from conflict-affected areas.

(6) Privacy:

Suppliers should commit to reasonably protecting the personal data and privacy of individuals with whom they do business (including suppliers, customers, consumers, and employees). Suppliers should comply with privacy and data security legal requirements when collecting, storing, processing, transmitting, and sharing personal data.

(7) Prohibition of Unauthorized Subcontracting:

Matters to be performed by the supplier personally (including under contracts or purchase orders) shall not be subcontracted to specific third parties without the consent of the Company.

2. Labor

Suppliers should commit to respecting and upholding the human rights of labor. This applies to all types of labor, including temporary workers, migrant workers, students, contract laborers, direct employees, and any other type of labor.

(1) Prohibition of Forced Labor:

Any form of forced labor is prohibited, including but not limited to bonded, debt-bonded, or contractually bound labor, involuntary or exploitative prison labor, and slavery or trafficking of persons. Unreasonable restrictions on workers' access to workplaces are prohibited. All work should be voluntary, and workers have the right to terminate employment relationships reasonably according to labor agreements without penalty. Suppliers should retain all documents of departing workers. Employers and intermediaries shall not withhold, destroy, confiscate the identification, passports, or work permits of employees. Workers shall not be required to pay recruitment fees or other employment-related fees to employers or intermediaries. If any such fees are found to be required, they must be refunded to the relevant workers.

(2) Prohibition of Child Labor/Protection of Young Workers:

The employment of any child labor below the minimum legal age for employment in the country/region is prohibited. Workers under the age of 18 (young workers) shall not engage in work that may jeopardize their health or safety, including night shifts or overtime. Suppliers should appropriately maintain student records, rigorously review educational partners, and protect the rights of students in accordance with applicable regulations. Suppliers should implement mechanisms to verify the age of workers. If there are no local legal requirements, the wage levels for student workers, interns, and apprentices should be at least equal to those of other entry-level employees performing similar or identical work. Assistance and remedial measures must be provided if child labor is found to be employed.

(3) Working Hours:

Working hours should not exceed the maximum limits set by local laws, except in emergencies or special circumstances. Any overtime must be voluntary, and workers should be allowed at least one day off every seven days.

(4) Wages and Benefits:

Compliance with all relevant local wage laws, including minimum wage, overtime, and statutory benefits laws, is required. Suppliers should recognize the importance of all workers earning a living wage by measuring and recording any wage gaps. All workers should receive equal pay for equal work. Deduction of wages as a disciplinary measure is prohibited. Pay slips containing sufficient information to verify the accuracy of wages paid to workers should be provided to workers in a timely manner at each pay cycle. Temporary workers, dispatch workers, and outsourced workers should be employed in accordance with local laws.

(5) Non-Discrimination, Non-Harassment:

Violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological coercion, bullying, public humiliation, or verbal abuse of workers is prohibited. Disciplinary policies and procedures must have clear definitions and be clearly communicated to employees. Discrimination in recruitment and actual work based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or nationality, disability, pregnancy, religion, political affiliation, group background, veteran status, marital status, etc., is prohibited, including affecting wages, promotions, rewards, and training opportunities. Workers shall not be subjected to discriminatory medical examinations (such as pregnancy or virginity tests) or physical examinations.

(6) Freedom of Association and Collective Bargaining:

Ensure open communication between workers and management, provide anonymous and diverse complaint channels, and allow workers and labor representatives to openly communicate with management about working conditions and management methods without fear of discrimination, retaliation, threats, or harassment. Respect the rights of all workers to freely form and join unions, engage in collective bargaining, and peaceful assembly. If the rights to freedom of association and collective bargaining are restricted by applicable laws and regulations, workers should be allowed to elect and join other legally recognized forms of worker representation.

3. Health and Safety

Suppliers should minimize work-related injuries and address health and safety issues within the workplace.

(1) Occupational Health and Safety Risk Assessment:

Identify, assess, and mitigate health and safety hazards in the workplace (such as chemicals, electricity, fire, transportation hazards, and fall hazards), and provide comprehensive personal protective equipment to workers, as well as training on accidents and related risks. Measures to promote maternal health protection, such as not exposing pregnant and lactating women to

conditions that may endanger them or their fetuses, and providing reasonable accommodations for lactating women, should be implemented.

(2) **Emergency Preparedness:**

Identify and assess potential emergency situations and events, and minimize their impact through the implementation of emergency plans and response procedures, including emergency reporting, notification, and evacuation plans, training, and drills. Drills should be conducted at least annually or as required by local laws, whichever is more stringent. Emergency response plans should also include appropriate fire detection and firefighting equipment, unobstructed emergency exits, adequate evacuation facilities, emergency assembly locations, contact information for emergency response personnel, and recovery plans.

(3) **Occupational Injuries and Diseases:**

Establish procedures and systems to prevent, manage, track, and report occupational injuries and diseases, including encouraging workers to report, classifying and recording cases of occupational injuries and diseases, providing necessary treatment, investigating cases, and taking corrective actions, and assisting workers in returning to work. Workers should be allowed to stay away from hazards that pose an immediate risk and not return until the situation is mitigated, without fear of punishment or retaliation.

(4) **Chemical Safety:**

Identify, assess, and control the impact of chemical exposure on workers. If these measures are ineffective in preventing hazards, adequate personal protective equipment should be provided to workers free of charge. Maintain this environment by continuously and systematically monitoring workers' health and work environment, and periodically assessing whether workers' health is compromised. Provide relevant training on risks to ensure that workers understand how to use and store chemicals and how to handle emergencies such as leaks.

(5) **Ergonomics:**

Identify, assess, and control hazards posed by physical labor, including manual handling of materials or repetitive lifting of heavy objects, prolonged standing, and highly repetitive or high-intensity assembly work, supplemented by ergonomic devices or other control measures to reduce the risk of musculoskeletal injuries to workers.

(6) **Machine Operation Safety and Protection:**

Assess the safety hazards of production equipment or other types of machinery. Provide and maintain appropriate protective devices, interlocking devices, and barriers to isolate hazardous sources to prevent injuries to workers.

(7) **Public Health and Accommodation:**

Provide clean restroom facilities and clean drinking water for workers. Dormitories provided by suppliers or labor intermediaries should be kept clean and safe, with appropriate emergency exits, hot water for bathing, adequate lighting, proper ventilation, secure places for storing personal valuables, and plans for infectious diseases should be developed and implemented, taking reasonable steps to prevent, prevent and respond to infectious diseases among workers.

(8) **Health and Safety Communication:**

Provide occupational health and safety information and training to workers at the time of employment and regularly during employment, in their native language or a language they understand, to identify workplace hazards, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Post health and safety-related information in the workplace. Health information and training should include content on specific groups of risks, such as gender and age (if applicable). Encourage workers to make suggestions on health and safety aspects and ensure they are not subject to retaliation.

(9) **Natural Disaster Risk Mitigation:**

Understand the potential natural disasters that the factory may encounter, such as heatwaves, earthquakes, droughts, floods, typhoons, etc., assess the likelihood and severity of personnel injuries, property damage, and operational disruptions, and based on the assessment, mitigate the risk of natural disasters through the establishment of hardware protection, development of emergency procedures, training, and drills.

(10) **Health and Safety Compliance:**

Suppliers must comply with local laws and regulations. Suppliers should comply with local and national legal health and safety requirements and industry standards, as well as any applicable

international regulations and industry guidelines. This includes compliance with local safety and health regulations, workplace safety, operational processes, and employee operations.

4. Environment

Suppliers should minimize the environmental and natural resource impacts of their manufacturing processes and ensure compliance with all environmental regulations.

(1) Environmental Permits and Reporting:

Obtain all necessary environmental permits (such as emission monitoring), approvals, and registration documents, maintain and update them regularly, and comply with the operation and reporting requirements of permits.

(2) Pollution Prevention and Resource Conservation:

Reduce or eliminate the discharge and emission of pollutants and the generation of waste as much as possible through source control, installation of pollution control equipment, process improvements, maintenance, and facility procedures, or other methods. Conserve natural resources through practices such as process improvements, maintenance, and facility procedures, material substitution, reuse, conservation, recycling, or other methods.

(3) Hazardous Substances:

Identify, label, and manage chemicals, waste, and other substances that may harm humans or the environment to avoid and minimize their use, and ensure the safe handling, transport, storage, use, recycling, reuse, and disposal of these substances. Track and record data on hazardous industrial waste.

(4) Solid Waste:

Implement systematic measures to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Track and record data on general business waste.

(5) Air Emissions:

Classify, monitor, control, and treat volatile organic compounds, aerosols, corrosive substances, suspended particles, ozone-depleting substances, and combustion by-products generated during emissions operations as required. Ozone-depleting substances should be managed effectively in accordance with the Montreal Protocol and applicable regulations. Suppliers should also conduct routine monitoring of the performance of emission control systems.

(6) Material Control:

Comply with all applicable laws, regulations, and customer requirements prohibiting or restricting the inclusion of specific substances (including recycling and disposal labels) in products and manufacturing processes.

(7) Water Resource Management:

Implement a water management plan to record, classify, and monitor water resources, use, and discharge; seek opportunities to conserve water; and control pollution channels. All wastewater should be classified, monitored, controlled, and treated as required before discharge or disposal. Suppliers should conduct routine monitoring of the performance of wastewater treatment and control systems to ensure optimal performance and compliance. Suppliers should assess water scarcity and flood risks at operational locations, promote water-saving and water recycling measures, and prepare for water scarcity and flood emergencies and training to increase resilience to climate change.

(8) Energy Consumption and Greenhouse Gas Emissions:

Set greenhouse gas emission reduction targets for the company, and track, record, and report energy consumption and all Scope 1, Scope 2, and significant Scope 3 greenhouse gas emissions, track, record, and publicly report to achieve greenhouse gas emission reduction goals. Suppliers should find ways to improve energy efficiency and minimize energy consumption and greenhouse gas emissions.

(9) Biodiversity:

Suppliers should comply with biodiversity conservation-related regulations, avoid operational impacts on important habitats, and participate in conservation actions for natural ecosystems.

5. Zero-Tolerance policy

Violations of any zero-tolerance policy pose significant risks to employee safety and undermine the trust between the Company and its supply chain partners. Such violations may also adversely affect the business relationship between both parties. Any non-compliance with the following zero-tolerance policy must be corrected immediately.

The following list of zero-tolerance policy includes, but is not limited to:

(1) **Legal Operations and Compliance Acknowledgement**

Suppliers must possess valid business licenses and factory registrations in accordance with applicable laws and regulations. Suppliers are also required to sign the Non-Disclosure Agreement (NDA), Supplier Code of Conduct, Manufacturing/Processing Agreement, and Non-Toxic Substance Declaration.

(2) **Prohibition of Harassment and Abuse**

Any form of physical, psychological, verbal, or sexual harassment, abuse, or threats is strictly prohibited. This protection also extends to the Company's representatives, third-party auditors, and other related personnel, who must be free from any inappropriate treatment, retaliation, or threats.

(3) **Prohibition of Forced Labor and Human Trafficking**

All forms of forced, bonded, involuntary, or compulsory labor, as well as human trafficking, are strictly prohibited. Suppliers shall not restrict workers' freedom of movement, withhold employees' passports or identification, or withhold wages or other legally entitled compensation.

(4) **Prohibition of Child Labor**

The employment of workers below the minimum legal working age as defined by applicable country/region laws and regulations is strictly prohibited.

(5) **Legal Wages and Benefits**

Wages, overtime compensation, and employee benefits shall comply with all relevant local wages laws and regulations and shall not be lower than the statutory minimum requirements.

(6) **Environment, Health and Safety (EHS)**

(6.1) Suppliers shall appoint qualified personnel responsible for occupational safety and health, fire safety, and environmental management as required by applicable laws and shall obtain and maintain all necessary licenses, permits, and approvals.

(6.2) All production facilities, warehouses, and employee dormitories (whether owned or leased) involved in the manufacture, storage, or handling of the Company's products shall possess valid building safety approvals or certifications. Facilities with structural deficiencies that may endanger human life are strictly prohibited.

(7) **Prohibition of Record Falsification**

Suppliers shall not falsify, alter, conceal, or manipulate working hour records, payroll records, audit reports, or any other documents for the purpose of circumventing labor laws, social compliance requirements, or customer standards.

(8) **Prohibition of Unauthorized Outsourcing and Subcontracting**

Suppliers shall perform their contractual obligations personally. Without the Company's prior written approval, suppliers shall not outsource, subcontract, or otherwise transfer any products or services required under the contract or purchase order to any third party.

(9) **Anti-Bribery and Business Integrity**

Suppliers shall uphold the highest standards of integrity in all business interactions. Any form of bribery, corruption, fraud, embezzlement, facilitation payments, extortion, or misappropriation of funds is strictly prohibited.