

SUPPLIER SOCIAL COMPLIANCE STANDARDS

At AP PARPRO, we are committed to human rights and the environment. We engage with Suppliers that are committed to these same principles. AP PARPRO's Supplier Social Compliance Standards (the "Standards") apply to all direct and indirect suppliers, including vendors, selling partners, contractors, and subcontractors ("Suppliers"). Our commitment and approach are informed by leading international standards and frameworks developed by the United Nations (UN), the International Labour Organization (ILO), and the U.S. Customs and Border Protection (CBP). AP PARPRO is committed to respecting and supporting the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights, the Core Conventions of the ILO, the ILO Declaration on Fundamental Principles and Rights at Work, and the Customs – Trade Partnership Against Terrorism (CTPAT).

We expect all Suppliers to comply with all applicable laws and the above-mentioned Standards, even when they exceed the requirements of applicable laws. We also expect all Suppliers to escalate expectations consistent with these Standards to their business partners.

All Facilities that supply to AP PARPRO are required to be disclosed to and approved by AP PARPRO. The failure to do so is considered unauthorized subcontracting.

- a. **LEGAL COMPLIANCE:** We require each Supplier to be in full compliance with applicable local and domestic laws. Where local laws differ from the expectations set out in these Standards, we expect Suppliers to meet the higher standard. Failure to comply with these Standards may result in a termination of the business relationship.
- b. **FORCED LABOR:** Supplier shall ensure that all work is voluntary. Suppliers and their employment agencies shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of their exploitation. All workers must be employed or engaged on a voluntary basis, as defined in the ILO Forced Labor Convention (No. 29) and the Abolition of Forced Labor Convention (No. 105). Workers must be free to leave work and terminate their employment or other work status with reasonable notice, without penalty.
- c. **FREEDOM OF MOVEMENT:** Supplier shall not confine or restrict worker's freedom of movement inside the place of production or Supplier-provided facilities, including access to drinking water and the worker's Dormitory room, except where necessary for worker safety and permitted by applicable laws and regulations. Supplier shall not restrict workers' access to bathrooms in terms of time or frequency of bathroom breaks, number of workers going to bathroom at any time or non-payment of wages during bathroom breaks.
- d. **CHILD LABOR:** AP PARPRO does not tolerate the use of child labor. Supplier shall employ only workers who are at least 15 years of age, the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. workers under the age of 18 ("young workers") must not perform hazardous work, including that which is likely to jeopardize their health or safety, or work that compromises their education (e.g., night shifts, overtime). Suppliers employing young workers must follow all local laws related to hours of work. Suppliers will implement an appropriate mechanism to verify that the age of workers and workers recruited comply with the ILO Minimum Age Convention (No. 138) and will provide substantiation of this verification upon request. Young workers should not be deprived of the right to benefit from social security, including social insurance. Suppliers should provide support and training to young workers, with special attention to the access young workers shall have to effective grievance mechanisms and to health and safety

information. Cases of child labor must be remediated, including through corrective measures that facilitate the child's safety and wellbeing.

- e. **WAGES AND BENEFITS:** Suppliers are required to pay their workers, including contract workers and those paid by piece rate, in a timely manner and provide compensation (including minimum wages and allowances, overtime pay, benefits, and paid leave) in a manner that satisfies or exceeds applicable laws. In countries where such laws do not exist, Suppliers are encouraged to pay wages that meet or exceed industry average, pay overtime at a rate exceeding the regular hourly compensation rate, and maintain policies that provide worker benefits, such as leave. Suppliers are required to provide equal pay for work of "equal or comparable value", without discrimination. Suppliers must show upon request that legal wages for regular and overtime hours are correctly calculated. Suppliers should regularly review worker salaries to evaluate whether workers earn enough to meet their basic needs and the needs of their family and adjust accordingly at least every two years.

Suppliers are required to provide their workers with timely pay stubs or similar documentation that includes an explanation for the basis of their compensation in a manner that workers can understand. Deductions from wages as a disciplinary measure are not permitted.

- f. **HOURS OF WORK:** Suppliers should regularly monitor working hours to maintain the safety, health, and welfare of workers. Except in special or emergency situations, (i) suppliers are required to limit working hours to no more than 60 hours per week, including overtime, and (ii) each worker must be entitled to at least one day off for every seven-day work period. In all circumstances, working hours must not exceed the maximum amount permitted by law. Suppliers are required to provide workers with legally required breaks, or reasonable breaks where the law is silent.

Overtime: Suppliers are encouraged to consider religious norms (e.g., religious holidays) when offering overtime to workers. Suppliers should provide workers with adequate notice of overtime shifts.

- g. **HEALTH AND SAFETY:** Suppliers are required to provide workers with a safe and healthy work environment that avoids harm to workers' physical and mental health. Suppliers must comply with applicable laws regarding occupational safety, working conditions, and health standards. Where required by law, AP PARPRO requires that Suppliers facilitate worker health and safety committees, post health and safety information in a location and language accessible to workers and provide health and safety training to workers at the beginning of employment and regularly thereafter, including on emergencies and injuries that occur in the workplace. Where the law is silent, we encourage these best practices.

Suppliers must maintain safe working conditions including safe Supplier-controlled facilities, facility infrastructure, and machines. Facilities must meet all legal requirements and must be structurally sound with adequate strength of materials, professionally designed for risks from seismic activity, wind, and other natural disasters. We do not tolerate buildings in imminent risk of collapse or working environments that pose an immediate threat to life, including because of uncontrolled fire, electrical, mechanical, chemical, and biological hazards.

- h. **NON-DISCRIMINATION:** Supplier shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices. Supplier shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety and shall not improperly discriminate based on test results.
- i. **HARASSMENT AND ABUSE:** All workers must be treated with respect and dignity. Suppliers must not engage in or tolerate violence, harassment, abuse, or coercion, including physical, verbal, sexual, or psychological, or any form of torture or cruel, inhuman, or degrading treatment. These include threats of violence, corporal punishment, mental coercion, sexual harassment, gender-based violence,

unreasonable restrictions on entering or exiting work and residential facilities, arbitrary arrest or detention, or any other forms of intimidation. We encourage Suppliers to implement policies that prohibit these activities and to communicate it to all workers in their native language. We encourage Suppliers to provide gender-sensitive sexual harassment and gender-based violence training to all managers, supervisors, and workers. All workers must be protected from retaliation in good faith, including as related to reporting in good faith incidents of perceived harassment and abuse.

- j. **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:** Suppliers must respect the rights of workers to form, join, or refrain from joining, a labor union or other lawful organization of their own selection. Suppliers must respect workers' rights to freedom of association and collective bargaining. Workers must not be penalized or subjected to reprisal, harassment, or intimidation for the non-violent exercise of these rights.
- k. **PERSONAL IDENTIFICATION DOCUMENTS:** Suppliers must not cause workers to lose possession of or access to their personal documents. Suppliers must not hold (for safekeeping), destroy, conceal, confiscate, or require workers to surrender government issued identification, passports, immigration documents, or work permits to any party, including third party agents. Suppliers may only temporarily hold onto such documents to the extent required by law to complete administrative and immigration processing. Suppliers may provide individual, lockable storage facilities in workers' accommodations (if applicable) for workers to store these documents and personal items, but unless permitted by law, the Supplier may not access the storage facilities while in use by a worker.
- l. **ENVIRONMENTAL:** Suppliers should respect the right to a clean, healthy, and sustainable environment. Suppliers are required to comply with applicable environmental laws and regulations. Suppliers should minimize adverse impacts on the environment, (including reducing the use of energy, air emissions, greenhouse gas emissions, waste, use of water, pollution, and hazardous materials). Suppliers are encouraged to engage in efforts that support environmental sustainability, such as conducting environmental due diligence and making progress towards integrating environmentally sustainable practices throughout their operations and supply chain.
- m. **ANTI-CORRUPTION & FAIR DEALING:** Suppliers are required to comply with applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act, and never bribe a government official on AP PARPRO's behalf. Suppliers must not, either directly or indirectly, accept from; or offer, give, authorize, or promise to government officials anything of value to encourage them to act improperly or to reward them for doing so. Prohibited payments can take many forms including, but not limited to cash or cash equivalents, gifts, meals, and entertainment. Any questions regarding the applicability of this provision or exceptions to this provision must be directed to management. Suppliers must implement and maintain monitoring, record keeping, and enforcement procedures to maintain compliance with anti-corruption laws.
- n. **MANAGEMENT SYSTEMS:** Supplier must establish and maintain management systems to ensure compliance with all applicable laws and uphold expectations and requirements set forth in these Standards. Supplier must ensure that its workers are legally authorized to work according to the national laws and international standards relevant to the country where work is taking place. Prior to each worker's assignment, Supplier must require documentation proving such work authorization and worker age. Every worker must have employment documentation (e.g., a contract, offer letter, etc.) in a language they understand is freely acknowledged and accurate to their position. A copy of the documentation must be provided to the worker.
- o. **SUBCONTRACTING:** Supplier will act with reasonable diligence to ensure that its contractors, subcontractors, manufacturing facilities, labor providers, agents, agencies, associations, distributors, partner organizations, suppliers, affiliated companies, or subsidiaries who are involved in Company business also comply with the obligations set forth in these Standards. Subcontractors must be disclosed to AP PARPRO in writing prior to authorizing production.

- p. **GRIEVANCE MECHANISM AND REPORTING:** Supplier must provide workers access to a grievance mechanism in a language they understand that enables them to raise concerns without fear of intimidation. Retribution or retaliation taken against any individual for reporting in good faith is prohibited. Workers employed by subcontractors must have a mechanism in place to bring their concerns to management teams above the subcontractor.
- q. **FACILITY AUDITS:** AP PARPRO reserves the right to audit or authorize a third party to audit any facility that manufactures goods destined for AP PARPRO. The audit shall be unrestricted and may occur with or without advance notice.

Supplier shall require that the facility's management provide access to the Facility and all books and records that will allow for a comprehensive Standards audit to be conducted, including an opportunity for confidential and private interviews with facility's employees selected by the auditor. Prior coaching of interviewees is not allowed, nor is any retaliation against any Employee or auditor.

The audit shall be at the Supplier's expense.

AP PARPRO prefers to work with the Supplier and/or facility to correct Standards violations rather than apply sanctions that may cause further hardship to workers and their families who depend upon the employment.

r. AUDIT ETHICS

The highest standards of integrity are expected in all aspects of the audit process. AP PARPRO expects full transparency from the facility during the audit process, i.e., accurate and honest disclosure of all employees, facility, subcontractor, labor, employment, health and safety, and environmental documentation and information. All forms of bribery, corruption, deception and falsification of records are strictly prohibited. Any such finding may result in the termination of the business relationship.

AP PARPRO employees and independent auditors acting on behalf of AP PARPRO are prohibited from accepting gratuities from suppliers, facilities, or service agencies with whom AP PARPRO presently does business, has done business, or any entity that may be considered for future business. Gratuities include gifts, money, trips, meals, lodging or special favors. Failure to comply may result in the termination of the business relationship with the Supplier and/or facility, or service agency.

Retaliation or penalty against any person who in good faith reports unlawful or inappropriate activity related to this Standards and/or the audit process may result in termination of the business relationship.