



A wholly owned subsidiary of IQ Brands

Environmental/Social/Governance Policy

TCK/IQ BRANDS is committed to operating in a responsible manner in accordance with the principles, mission and values as set forth in our Environmental, Social and Governance Policy (ESG) adopted by parent company Huron Capital Partners in February 2016.

- Environmental – Limit impact on the environment where possible; remediate past harms
- Social: Consider public health, safety and social issues as it relates to employees and other stakeholders.
- Governance: Promote appropriate governance and controls.

Environmentally we are committed to:

- Minimizing waste by evaluating operations and ensuring they are as efficient as possible
- Actively promoting recycling both internally and amongst our suppliers.
- Sourcing and promoting product ranges to minimize the environmental impact of both production and distribution.
- Meeting or exceeding all the environmental legislation that relates to the Company.
- Promoting efforts to eliminate all global hazardous chemical use and to fully integrate a policy of transparency in reporting in accordance with the public's right-to-know.
 - This includes avoidance in usage of all banned chemicals or substances (APEOs, PFCs, heavy metals, phthalates, brominated and chlorinated flame retardants, azo dyes, organotin compounds, chlorobenzenes, chlorinated solvents, chloro-phenols and short chain chlorinated paraffin).

Socially we mandate that all suppliers comply with our TCK/IQ BRANDS Code of Conduct as included in our Vendor Policies & Procedures Manual.

Adherence to our policies and commitment to these values will be renewed annually by supplier written acknowledgement and as monitored through routine audits by third parties in accordance with retailer requirements.



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Corporate Code of Conduct

I. POLICY SUMMARY

It is the policy of TWIN CITY KNITTING/IQ BRANDS that our products must be produced under fair, safe, and humane working conditions. All products, regardless of end use – including retail or wholesale products – must be produced or otherwise sourced only through responsible companies carrying certifications from internationally recognized auditing agencies. Vendors must agree to the standards set forth in this policy throughout their supply chain and must responsibly manage a transparent supply chain.

II. DEFINITIONS

Contractor means each contractor, subcontractor, vendor, supplier, buying agent, manufacturer, or other entities engaged in the manufacturing or supply chain process, which ultimately results in a finished product on behalf of TCK/IQ BRANDS.

Corrective Action Plan (CAP) means a written plan provided to TCK/IQ BRANDS or auditing entity that details improvements to an organization's processes to remedy violations or alleged violations of the Code.

Supply Chain includes every company that comes into contact with a particular product (e.g., all the companies manufacturing any components of the product, assembling it, delivering it, and selling it).

III. POLICY TEXT

TCK/IQ BRANDS expects its supply chain partners to conduct their business in a manner consistent with, and follow workplace standards that adhere to, this Code of Conduct (the Code). The Code is subject to amendment to reflect any subsequently developed standards.

It is the responsibility of Vendors and their Contractors to ensure supply chain transparency and to trace their supply chain to its origin. Similarly, it is the responsibility of all TCK/IQ BRANDS employees and those ordering goods to adhere to the Code.

A. Standards

Vendors and their Contractors must operate workplaces that comply, at a minimum, with all applicable laws (including environmental laws) of the country in which products are manufactured and with the standards and requirements set forth in this Code. Where the applicable legal laws of the country of manufacture conflict or differ with the standards and other requirements in this Code, the higher standard prevails.

1. Ethical Standards: Licensees and their Contractors commit to conduct their business according to a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each worker.

2. Employment Standards: TCK/IQ BRANDS will do business only with Vendors whose workers, and those of their Contractors, work voluntarily, are not at undue risk of physical harm, are compensated fairly, and are treated with dignity. TCK/IQ BRANDS expects its Vendors and their Contractors to adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. In addition, the following are required:

a. Wages and Benefits: Vendors and their Contractors must provide wages and benefits that comply with all applicable laws and regulations and that match or exceed the local prevailing wages and benefits in the relevant country. In addition, such wages and benefits must constitute a “fair/living wage,” which requires meeting the basic needs for the worker and two dependents to have access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities and access to health care services.

b. Working & Overtime Hours/Compensation: Vendors and their Contractors must not require their employees to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week must not exceed 48 hours. Employers must allow workers at least 24 consecutive hours of rest in every 7-day period. All overtime work must be consensual and not coerced. Employers must not request overtime on a regular basis and must compensate all overtime work at least at the premium rate legally required in that country. Other than in exceptional circumstances, the sum of regular and overtime work hours in a week must not exceed 60 hours.

c. Child Labor: No person will be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. No person under the age of 18 will undertake hazardous work – e.g., work which, by its nature or the circumstances in which it is carried out, is likely to cause harm to the health or safety of such person. Vendors and their Contractors must work with governmental organizations, human rights, and NGOs, as determined by TCK/IQ BRANDS and Vendors, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.

d. **Forced Labor:** No use of forced labor is permitted, whether in the form of prison labor, indentured labor, or otherwise. Vendors and their Contractors will comply with international standards and all applicable local and national laws, regulations, standards, and procedures concerning the prohibition of forced labor and human trafficking, such as the California Transparency in Supply Chains Act and related sections of the Dodd-Frank Act (including Section 1502, which addresses products containing “conflict minerals”).

e. **Health and Safety:** Vendors and their Contractors must provide workers a safe and healthy work environment that complies with or exceeds local and national health and safety laws. Vendors and their Contractors will provide appropriate protection for workers exposed to hazards, including glues and solvents that may endanger their safety. If residential facilities are provided to workers, they must be safe and healthy.

f. **Nondiscrimination:** Vendors and their Contractors agree to employ individuals solely on the basis of their ability to perform the job and will not subject any person to discrimination in employment – including matters pertaining to hiring, salary, benefits, advancement, training, discipline, termination or forced retirement – on the basis of race, color, national origin, religion, sex, gender, gender expression, gender identity, pregnancy, physical or mental disability, medical condition (cancer-related or genetic characteristics), genetic information (including family medical history), ancestry, marital status, age, sexual orientation, citizenship, or service in the uniformed services.

g. **Women’s Rights:** Regarding women’s rights, Vendors and their Contractors must adhere to the following items:

i. Women workers will receive: equal remuneration, including benefits; equal treatment; equal evaluation of the quality of their work; and equal opportunity to fill all positions open to male workers.

ii. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.

iii. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits after the maternity leave has ended.

iv. Workers will not be forced or pressured to use contraception.

v. Workers, especially pregnant women, will not be exposed to hazards, including glues and solvents, that may endanger their safety (including their reproductive health), unless thorough protections are in place.

vi. Licensees will provide appropriate services and accommodation to women workers in connection with pregnancy.

h. Harassment or Abuse: Every worker must be treated with dignity and respect. No worker will be subject to any physical, sexual, psychological or verbal harassment or abuse. Vendors and their Contractors will not use or tolerate any form of corporal punishment.

i. Freedom of Association: Vendors and their Contractors will recognize and respect the right of workers to freedom of association and collective bargaining with bargaining representatives of their own choice in accordance with International Labor Organization Convention 87, which protects freedom of association and the right to organize. No workers will be subject to harassment, intimidation or retaliation as a result of their efforts to freely associate or bargain collectively. Vendors and their Contractors must allow union organizers reasonable access to workers and must recognize the union of the workers' choice.

3. Disclosure: Vendors provide the following information to TCK/IQ BRANDS and to update such information immediately when any change occurs:

a. The company names, owners and/or officers of Vendors and their Contractors; addresses, phone numbers, email addresses of Vendors and their Contractors; and the nature of the business associations and their roles in the manufacturing process;

b. The manufacturing plants of Vendors and their Contractors involved in all levels of the manufacturing process of items (including raw materials, blank goods, and decorations)

c. Upon request, internal and external monitoring reports regarding Vendors' and their Contractors' compliance with this Code.

Vendors are required to report immediately to TCK/IQ BRANDS any material changes in the foregoing disclosures, including the addition or deletion of manufacturing plants. All disclosures provided in connection with this agreement may be made publicly available without confidentiality restrictions.

B. Internal Monitoring, Training, Independent External Monitoring and Verification

1. It is the responsibility and obligation of each Vendor to:

- a. Take continuous steps to ensure its compliance with this Code, and to verify that its Contractors are in compliance with this Code;
- b. Document the nature and extent of all activities it undertakes to ensure its compliance with this Code;
- c. Resolve to TCK/IQ BRANDS satisfaction any incidence of non-compliance with this Code in a prompt and effective manner;
- d. Actively seek knowledge, training, and implementation of best practices regarding international labor standards and ethical supply chain management, including consultation with governmental, human rights, labor, and credible third party monitoring organizations;
- e. Refrain from any actions that would diminish the protections of these labor standards and compliance with this Code; and

2. TCK/IQ BRANDS has the right to investigate, either by itself or through designated third party auditing agencies, allegations or evidence of violations of this Code by Vendors or their Contractors as well as Vendors' or their Contractors' actions to correct such violation(s). It is the responsibility and obligation of Vendors and their Contractors to cooperate fully with such investigations, and to give TCK BRANDS/IQ BRANDS free and full access to all facilities, materials, and records that may be relevant to such investigation and to further provide access to all employees who may be affected by or have knowledge of the alleged or actual violation. Such investigation by TCK/IQ BRANDS may occur with or without notice, and as many times as deemed necessary by TCK/IQ BRANDS.

C. Non-Compliance and Remediation/Corrective Action Plan

Vendors will promptly notify TCK/IQ BRANDS of any and all incidents, including claims by others, that constitute or may constitute Vendors' or their Contractors' non-compliance with the Code. Vendors have an obligation to maintain their own records of all complaints of violations, and will notify TCK/IQ BRANDS that a complaint has been filed. This record will include all details of such findings or allegations, including, but not limited to, copies of any reports, complaints, or other documentation concerning an actual or alleged violation of the Code. Upon request, Vendors will provide promptly to the University a copy of any written response Vendors have made to such allegation and provide a report describing all actions Vendors have taken, if any, to remedy the alleged violations of the Code, including Corrective Action Plans (CAP).

If, upon investigation, TCK/IQ BRANDS determines that any Vendor or Contractor has failed to remedy a violation of this Code, TCK/IQ BRANDS will consult with the Vendor to examine the issues and determine the appropriate measures to be taken. The remedy will, at a minimum, include requiring Vendor to take all steps necessary to correct such violations including, without limitation, paying all applicable wages and/or benefits due to workers under law or contract, and reinstating any worker whose employment has been terminated in violation of this Code. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, Vendor will implement a CAP on terms acceptable to the TCK/IQ BRANDS. TCK/IQ BRANDS reserves the right to terminate its relationship with any Vendor who continues to conduct its business in violation of the CAP.

Vendors and their Contractors must guarantee wages, salaries, benefits and severance to their workers. In the event of non-compliance by its Contractor, Vendor must assume responsibility for payment of wages, salaries, benefits and severance to Contractor's workers in proportion to the percentage of work done by Contractor's workers on behalf of the Vendor.

If a natural disaster or other crisis causes a significant disruption of production, Vendors and their Contractors will use reasonable efforts to restore production at the affected worksite(s) to prior levels as soon as feasible while ensuring workers' safety.

IV. PROCEDURES

All Vendors to TCK/IQ BRANDS must incorporate this Code of Conduct policy as a requirement to supply products to TCK/IQ BRANDS or its customers.

Signed acknowledgements of the Vendor Policy and Procedures manual will be filed and maintained by TCK/IQ BRANDS.