

## **Our Responsibility**

As Halara (“Halara,” “we,” “our,” “us”) envisions the future of fashion—democratized through innovation and accessibility to quality athleisure—we invite everyone from all backgrounds to actively participate in reshaping the fashion industry. Therefore, it’s our collective responsibility to create a better future and to hold ourselves accountable for our impact. At Halara, we set realistic goals and work backward to achieve them. We are dedicated to promoting sustainability through our manufacturing processes and responsible sourcing practices.

## **Our Expectation**

All the "Supplier Partners," including but not limited to a direct or indirect manufacturer or supplier of specific products, raw materials, or services to Halara and Halara's customers, are expected to use this Code of Conduct to uphold business practices that align with Halara's fundamental values. The Halara Code of Conduct states non-objective fundamental values and serves as obligatory minimum standards for all Supplier Partners of Halara.

Our Code of Conduct was written with references from the Core Labor Conventions of the International Labor Organization (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work, the UN Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles on Business and Human Rights, and the Worldwide Responsible Accredited Production (WRAP).

## **Our Commitment**

As our supply chain continues to evolve with the growth of our business, Halara will choose to work with Supplier Partners who share our commitment to our fundamental values in how they treat their people and operate their businesses.

### **1. Laws and Regulations**

1.1 Supplier Partners shall comply fully with all applicable local and/or national laws and regulations, including but not limited to labor, immigration, health and safety, and the environment of the countries or regions where they operate their business.

1.2 Suppose there are differences between local and national laws of the country where the vendor or factory operates; Supplier Partners are expected to adhere to the most stringent applicable requirements.

1.3 Supplier Partners shall keep accurate records of all matters related to their business with the Halara and follow standard accounting practices generally accepted accounting principles (GAAP) or international financial reporting standards (IFRS), depending on the countries of operation. All financial records should be recorded and readily available for inspection during announced or unannounced audits by Halara or authorized third-party representatives.

1.4 Supplier Partners should maintain inventory and production records to document the origin and place of production of incoming materials.

1.5 Supplier Partners shall comply with national and international laws regarding the identification and limits of hazardous chemicals in the manufacturing and production of items for Halara.

## **2. No Child Labor**

2.1 Supplier Partners shall adhere to the minimum employment age limit stipulated by national law or the International Labour Organization (ILO) Convention 138, whichever is more stringent. As per the ILO Convention 138, the minimum employment age is the mandatory schooling age in the locality, not below 15 years of age.

2.2 Supplier Partners shall not hire any person under the age of 15 years. Supplier Partners shall also comply with all national minimum working age laws.

2.3 Under no circumstances will any Supplier Partners employ a person under the age of 18 to work at night or in hazardous conditions. Supplier Partners shall provide such employees with necessary work protection.

## **3. No Forced Labor**

3.1 Supplier Partners shall not use any forms of forced labor, including but not limited to prison labor, bonded labor, or indentured labor.

3.2 Supplier Partners shall comply with the International Labor Organization's Conventions on forced labor (including amendments, supplements, or periodic restatements) in their direct or indirect procurement.

3.3 Supplier Partners are strictly prohibited from participating in or facilitating human trafficking. They shall establish and enforce comprehensive procedures to monitor the sourcing and production of materials, ensuring full compliance with all laws regarding slavery and human trafficking.

3.4 All work shall be voluntary and subject to the applicable laws, and employees shall be able to leave work and terminate their employment or other work status with reasonable notice.

3.5 Supplier Partners shall not require employees to surrender government-issued identification, passports, or work permits as a condition of employment. Supplier Partners may only retain such documents on a temporary basis, solely for the purpose of legitimate administrative and immigration procedures.

3.6 Employees shall be given clear, understandable documentation that defines the terms and conditions of their engagement in a language and manner understood by the employees.

3.7 Supplier Partners further agree to hold their third-party labor agents or brokers to the standards and practices covered by this Code of Conduct. Supplier Partners shall monitor the practices of recruitment agencies and labor brokers and employ agencies that act ethically and in the best interests of employees when contracting labor. Supplier Partners shall require and use its best efforts to ensure that staffing or recruiting agencies comply with Halara's Code of Conduct and all applicable laws of the country where work is performed and the employee's home country.

## **4. Respect for Freedom of Association and Collective Bargaining**

4.1 The Supplier Partner shall comply with the legal regulations of the country in which they operate concerning the freedom of association, form trade unions, and engage in collective bargaining.

4.2 Employees, without discrimination or fear of retaliation, have the right to join or form trade unions / similar entities and bargain collectively without malice under the premise of complying with the local laws of the country in which they work.

4.3 Supplier Partners shall respect and honor the right of employees to bargain collectively and adopt an open attitude towards the activities of trade unions and their organizational activities, working together to address and solve issues amicably under the premise of complying with the local laws of the country in which they operate.

## **5. Living Wages**

5.1 Supplier Partners shall pay at least the minimum wage and are encouraged to provide sufficient wages and benefits to meet basic needs and to provide some discretionary income for the employees.

5.2 Supplier Partners shall ensure that employees' wages and benefits composition are detailed clearly and regularly in writing for each pay period. Supplier Partners shall lawfully render all wages and benefits due in a manner convenient to employees but in no circumstances in delayed or restricted forms, such as vouchers, coupons, or promissory notes.

5.3 Supplier Partners may only make legally allowed deductions from employees' wages. Deductions from wages as a disciplinary measure or any deductions from wages not provided for by law shall not occur without the expressed permission of the employee concerned. In any event, information on potential wage deductions in relation to substandard work shall be made clear to all employees before the occurrence.

5.4 Supplier Partners shall refrain from using labor-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship or other schemes to avoid meeting their obligations to employees under applicable laws and regulations pertaining to labor and social security.

5.5 The wage rate for student workers, interns, and apprentices (regardless of age) should be at least equal to the local minimum wage rate.

## **6. Working Hours**

6.1 Supplier Partners shall arrange working hours reasonably and comply with local laws and regulations. Agreement between the employee and Supplier Partners on working hours shall be agreed upon transparently with the employee before starting employment.

6.2 Employees' working hours shall comply with all local and national laws. Employees' working hours (excluding overtime) are regulated by the contract between the Supplier Partners and the employees.

6.3 In any event, employees shall not, on a regular basis, be required to work over 60 hours per week, including overtime, and shall be provided with at least one day off for every seven (7) days. Exceptions to this rule apply only where all of the following conditions exist:

- a) National law allows work time exceeding this limit;
- b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including provisions for adequate rest periods;
- c) Appropriate safeguards are taken to protect the employees' health and safety; and
- d) Supplier Partners can demonstrate that exceptional circumstances apply, such as unexpected production peaks, accidents, or emergencies

6.4 Supplier Partners shall not request overtime on a regular basis and will compensate for all overtime work at a premium rate.

## **7. No Harsh or Inhumane Treatment**

7.1 Supplier Partners shall treat employees with respect and dignity and shall not harass or abuse their employees physically, sexually, mentally, or verbally.

## **8. No Discrimination**

8.1 Supplier Partners have a responsibility to ensure there be no discrimination in hiring, terms and conditions of engagement, working conditions, compensation, promotion, training, termination, or retirement based on race, color, caste, national origin, religion, age, disability, gender, marital or family status, pregnancy, political opinion, veteran status, military status, sexual orientation, gender identity, genetic information, union membership, political affiliation, or any other legally protected status.

## **9. Subcontracting**

9.1 Sub-contracting is strictly prohibited in the Supplier Partners' working relationship with Halara unless explicitly agreed upon in advance with Halara.

9.2 Supplier Partners shall have adequate processes for properly managing subcontracting to ensure sub-contractors do not abuse, exploit, or provide unsafe working conditions for their employees.

9.3 Sub-contractors shall agree to comply with this Code of Conduct and be audited before production.

## **10. Workplace Health and Safety**

10.1 Supplier Partners shall provide a safe, hygienic, and healthy workplace environment and take necessary measures to prevent employees from accidents and injuries arising out of, or related to, work in the course of their services.

10.2 Supplier Partners' building, load-bearing structures, and electrical systems shall be constructed according to local law, certified civil or structural engineering construction approvals, or international standards.

## **11. Environmental Standards**

11.1 Supplier Partners shall comply with all local and national environmental laws and regulations. Supplier Partners shall obtain and keep current appropriate permits and certifications for environmental compliance in line with local and national laws.

11.2 Supplier Partners shall comply with the reporting requirements of applicable licenses and certifications.

11.3 Supplier Partners shall develop a process to identify, reduce, and dispose of all production waste and effluents in accordance with local and national environmental laws and regulations.

11.4 Supplier Partners shall adopt reasonable measures to reduce or mitigate the negative impact of their operations on the environment and be committed to continuous improvement, protecting the environment, and maintaining ecological balance.

## **12. Monitoring and Supervision**

12.1 Supplier Partners understand and agree that, regardless of whether prior notice is given, Halara and its designated agent are entitled to take all reasonable and necessary measures to

inspect and supervise the Supplier Partners during the fulfillment and performance of this Code of Conduct. Such measures include, but are not limited to, employee and management interviews, document reviews, site tours, and access to supplier-provided facilities or workplaces for employees.

12.2 Upon Halara's request, Supplier Partners shall immediately provide corresponding certification materials according to Halara's request to prove that Supplier Partners has met the requirements of this Code of Conduct. The Supplier Partners represent and warrant that the supporting materials provided shall be true, accurate, complete, and non-misleading in proving their satisfaction with the requirements written in this Code of Conduct.

12.3 Halara expects Supplier Partners to welcome Halara representatives throughout the process under 12.1 and 12.2 and provide their full cooperation. Halara maintains the right to terminate the working relationship with Supplier Partners for failure to meet this Code of Conduct, failure to make improvements, or falsifying or misrepresenting records, including other illegal activities.

### **13. Corruption**

13.1 Supplier Partners shall carry out business practices with the highest degree of ethics, honesty, and fairness at all times.

13.2 Supplier Partners shall not engage in acts of bribery, extortion, embezzlement, corruption, or unethical practices, whether in dealing with public officials or individuals in the private sector. Further, Supplier Partners shall comply with all anti-bribery laws and regulations of the countries in which they operate.

13.3 Supplier Partners shall have a written policy on ethical standards and business integrity that does not permit bribes, special favors, benefits, or other unlawful behavior. All employees shall be fully informed and compliant with these policies.

13.4 Supplier Partners shall ensure that there are no situations where an employee is required to pay a fee to the Supplier Partner or any agent in order to obtain work.

### **14. Continuous Improvement**

14.1 Suppose a Supplier Partner is found to have violated this Code of Conduct, Halara has the right but not the obligation to negotiate a remediation plan with the Supplier Partner to resolve the violation within a reasonable period. Future business with Halara is conditioned upon the Supplier Partner's engagement in the resolution process and a commitment to continuous improvement. Should a Supplier Partner not be committed to continuous improvement or be in alignment with this Code of Conduct, Halara maintains the right to terminate the working relationship with the Supplier Partner.