



TAL ETHICAL BUSINESS PRACTICES (EBP)

Overview

The TAL Ethical Business Practices (EBP) establish a policy by which we hold ourselves accountable as we look to continuously improve the way we do business and run our operations in a sustainable way. Our EBP policy is rooted in and supports our five core values:

- operating with honesty and integrity,
- providing an equitable commitment to our employees, society and shareholders,
- providing outstanding service and quality products at a competitive price,
- pursuing continuous innovation in all aspects of our work,
- providing rewarding careers and development to our employees.

TAL recognises the importance of establishing defined EBP areas and standards to guide how we operate consistently across our multiple facilities and countries. Our EBP policy is informed by the International Labour Organization (ILO), the Fair Labour Association Workplace Code of Conduct, some of our customers' requirements, and other organisations with similar workplace standards.

EPB Scope

EBP guidelines are made up of a framework including a policy, standards and procedures to help TAL put its ethical, social and environmental commitments into business practices.

1) EBP Policy

a. Policy Statement

It reflects TAL's ongoing commitment to our employees, society, environment, business and supply chain and highlights the ways we strive for sustainable development.

b. Scope

The EBP guidelines contain 4 areas: Ethics, Social, Environmental and Management System. In each area, standards are outlined to meet the social, environmental and ethical responsibilities.

2) Standard Operating Procedures (SOP)

Supporting our commitment stated in the EBP Policy, a set of guidelines and procedures are developed to meet the standards at the operational level.



TAL ETHICAL BUSINESS PRACTICES (EBP)

EBP Policy Statement

TAL Apparel Limited

Ethical Business Practice Policy Statement

Commitment to Ethical, Social and Environmental Responsibilities

TAL Group recognises that our activities have various direct and indirect impacts on our employees, society, environment and supply chain. We hold ourselves accountable for the ethical, social and environmental impacts of our operations.

The TAL EBP Policy commits to ensure that we:

- Strive to comply with all applicable laws, regulations,
- Behave ethically in any decision making and in any interaction with others,
- Identify and minimise any ethical, social and environmental risk from our activities, products and services,
- Continuously improve our ethical, social and environmental performance with an effective management system,
- Provide suitable training and support to our employees and advocate their involvement in sustainable development,
- Implement new and innovative practices and technologies providing balanced economical, social and environmental benefits to the business,
- Share and collaborate with stakeholders to identify, manage, and minimise our ethical, social and environmental impacts.

President

Dr. Delman Lee



TAL ETHICAL BUSINESS PRACTICES (EBP)

EBP Policy –Standards

1. ETHICS

TAL Group is committed to the highest standards of ethical behaviours which are to meet the economical, social and environmental responsibility, and foster the health and long-term development of the company. Standards are set for each of the following aspects:

1.1 Business Integrity

TAL Group should act in an honest, professional and ethical manner in all business interactions. All forms of bribes and improper advantages that may create a real or perceived conflict of interest should not be offered to or accepted from any business partner (customer or supplier).

1.2 Privacy and Intellectual Property

TAL Group should protect personal information and privacy of everyone they do business with, including suppliers, customers, consumers and employees. Intellectual property rights of TAL Group and others should be respected. Transfer of information, technology and know-how should be done in a manner that protects intellectual property rights.

1.3 Transparency

TAL Group should be transparent in its decisions and activities that impact the society and the environment. Clear, complete and accurate information should be readily available for effective assessment and, fair and reasonable disclosure to stakeholders.

1.4 Promoting Social and Environmental Responsibility in the Value Chain

TAL Group should influence value chain partners to support the principles and practices of ethical, social and environmental responsibility through purchasing decisions, exercising appropriate due diligence and raising awareness.

1.5 Community Involvement and Development

TAL Group should support and work together with local organizations and charities with the aim of improving the community and the local environment.



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2. SOCIAL

TAL Group is committed to respecting the rights of its employees and treating them fairly, respecting their freedom, safety and human dignity.

Standards are set for each of the following social aspects.

2.1 Prohibition of Child Labour

TAL Group should only employ people who meet the applicable minimum legal age requirement of the country of operations or who are at least 15 years of age – whichever is greater.

2.2 Prohibition of Forced Labour

TAL Group should not employ, in any form, involuntary labour of any kind, including but not limited to prison labour, debt–bondage labour or forced labour.

2.3 Non – Discrimination

TAL Group should employ people on the basis of their ability to do the job and not on the basis of any personal characteristics or beliefs.

2.4 Anti – Harassment and Abuse

TAL Group should treat all employees with respect and dignity and prevent any form of harassment or abuse in the workplace.

2.5. Resolving Grievance

TAL Group should establish a mechanism for employees to openly communicate and share grievance, and seek redress.

2.6 Freedom of Association and Collective bargaining

TAL Group should ensure employees can join any association(s) of their choosing and should not interfere with employees who wish to lawfully and peacefully associate, organise or bargain collectively.

2.7 Health and Safety

TAL Group should provide a safe and healthy workplace and eliminate any conditions or hazards that could result in personal injury or ill health.

2.8 Working Hours

TAL Group should carry out operations in ways that limit working hours to 60 hours per week on a six month rolling average basis, which ensures a healthy and productive work environment.



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EBP Policy –Standards

2.9 Wages and Benefits

TAL Group should provide employees with competitive wages and benefits in accordance with all applicable laws.

2.10 Employee Training

TAL Group should provide training to all employees in accordance with the relevant job requirements, company policies, standards and SOPs, and the applicable local laws.

3. ENVIRONMENT

TAL Group assumes responsibility for the environmental impacts caused by our production process and activities. In addition to complying with laws and regulations, TAL Group is committed to improving operations and supporting a culture of continuous improvement in order to minimise any impact to the environment and to human health.

Standards are set for each of the following environmental aspects:

3.1 Sustainable Resource Use and Pollution Prevention

TAL Group should optimise the resource use and minimise any type of waste in production processes through the adoption of sustainable practices and continuous improvement in environmental performance. Such resources and waste could refer – but are not limited – to energy, water, air, chemicals and raw materials that can be reduced or eliminated.

3.2 Climate Change and Energy

TAL Group should identify energy use by source types, measure greenhouse gas (GHG) footprint and have improvement plans to mitigate climate change impacts. It should be achieved by, but not limited to, implementing energy optimisation measures, replacing conventional fossil fuel by more eco-friendly fuels or adopting renewable energy.

3.3 Water Use

TAL Group should identify water use from source, measure withdrawal quantity and water footprint, and set reduction targets. It should be achieved by, but not limited to, source reduction, water recycling and reuse in the industrial process and domestic use.

3.4 Industrial and Domestic Wastewater

TAL Group should manage and control the discharge water quality, and measure the discharge volume of both industrial process and domestic use.



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3.5 Air Emissions

TAL Group should manage and control air pollutants generated from industrial process, in order to minimise the contamination of air and safeguard public health.

3.6 Solid and Hazardous Waste

TAL Group should manage and control solid and hazardous waste generated from industrial process and domestic use. The waste management hierarchy to follow should be: avoidance, source reduction, reuse, recycling, treatment or disposal.

3.7 Chemicals

TAL Group should comply with applicable laws and regulations regarding restriction of chemical substances and should strive to eliminate/substitute them. The safest and lowest environmental impact system should be developed for storage, handling, transport, treatment and disposal of any hazardous substance.

4. MANAGEMENT SYSTEM

TAL Group ensures that the TAL EBP policy and standards are understood and implemented at all levels by establishing an effective management system. The system is developed in compliance with all applicable laws, regulations and the adherence to the TAL Core Values. EBP Standards, EBP Standard Operating Procedures (SOPs) and EBP Work Instructions are set to facilitate continuous improvement.

The management system contains the following elements:

4.1 Policy, Principles and Objectives:

Fundamental rules and desired outcomes in specific ethical, social and environmental areas, based on the commitment to continuous improvement.

4.2 Scope and Definition:

Definition of the business structure, operations, activities, parties and components covered by the EBP policies, standards and SOPs.

4.3 Management Accountability and Responsibility

Clear definition of roles, accountabilities and authority associated with the implementation and maintenance of the EBP policies, standards and SOPs.

4.5 Compliance

A process to ensure compliance with the EBP policies, standards and SOPs and a periodical review to ensure the EBP are in compliance with the most updated applicable laws, regulations and other requirements.



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4.6 Procedures for Continuous Improvement

- *Risk Assessment*: A process to identify the ethical, social and environmental risks and opportunities associated with our operations and establish our priorities.
- *Improvement Targets*: Documented targets and implementation plans to improve our ethical, social and environmental performance.
- *Implementation and Monitoring*: Periodic assessment of the key performance indicators of our operations and progress in achieving the targets.
- *Audit, Non-conformity, Corrective Action Plan*: Regular internal and/or external evaluation to identify non-conformities and a process for timely and sustainable corrective actions.
- *Documents Control*: Creation of a system to manage all the system documents and their flow. This control includes the management of the files maintenance, distribution and revision procedures.
- *Communication and Training*: A process for communicating clear information about our EBP policies, practices, expectations and performance to our employees and other stakeholders and providing training to relevant parties for complying to the policies and achieving improvement targets.

4.7 Maintenance and Feedback Mechanism:

Mechanism to periodically review the adequacy and effectiveness of the EBP policies, standards, SOPs and Work Instructions. The maintenance and feedback mechanism includes processes to assess the employees' understanding of the TAL EBP and obtain feedback on practices and conditions covered by the guidelines under the spirit of continuous improvement.