



ANVIL HOLDINGS INC.

RESPONSIBLE PRODUCTION & ETHICAL SOURCING

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STATEMENT OF POLICY

Anvil Holdings, Inc. (“Anvil”) is committed to fundamental values of honesty, integrity, respect, responsibility, trust, and citizenship, and aims to conduct business in an ethical manner that recognizes and affirms the dignity of all people and the importance of protecting the environment in which we operate. To this end, we stand committed to working with our business partners to ensure that the products we distribute are manufactured in factories and worksites under conditions that reflect ethical values and standards.

While the Anvil Responsible Production and Ethical Sourcing Principles (“Production Principles” or “Principles”) outline the standards we require of our business partners, the guidelines contained in this document (“Production Principles Guidelines” or “Guidelines”) aim to provide further guidance on the implementation of the standards.

In most cases, we envision that our business partners already subscribe to a set of ethical standards comparable to ours. The Production Principles reflect those norms already recognized in the international business context, being based on the principles outlined in the United Nations Global Compact, and internationally agreed-upon rules, such as the U.N. Universal Declaration of Human Rights, the International Labor Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development.

The Production Principles are not meant in any way to place undue burden on our business partners. Rather, in sharing the Principles, we aim to re-affirm and make more explicit those ethical norms already being mainstreamed in global business environment.

If a partner is found to be in violation of the Production Principles, the partner will be requested to take corrective action within a designated timeframe. While we prefer to support and encourage continuous improvement toward compliance, should a partner be unwilling or unable to meet our requirements in a timely manner, we will be forced to cease doing business with that company. In these ways, Anvil pledges to stay true to the values underpinning our ethical sourcing standards.

IMPLEMENTATION OF POLICY

In order to demonstrate compliance with the Production Principles to our buyers and other outside interested parties, all of our employees – management, supervision, and workers – shall have a good understanding of the company policies and rules, including the company’s Code of Ethics and the Production Principles.

All of our suppliers should clearly understand that a condition of our relationship requires that they comply with our Production Principles

Anvil requests that our suppliers follow the below-outlined practices at all times in order to achieve ongoing compliance:

- Anvil’s Production Principles should be available in English and the local language;
- If there is a difference in the provisions between the company policy or country laws, the more stringent provision shall apply;
- Employees should be encouraged at all times to contact the supervisor or the company’s human resources manager (or its equivalent) for explanations and/or clarifications of the Production Principles; and
- Accurate documentation of all aspects of compliance shall be maintained.

The guidelines that follow include activities that need to be carried out for each of the ten guidelines of the Production Principles. The activities should be carried out by the factory compliance officer with support from staff of other functional departments, as necessary. In addition to these activities by staff, we recommend that training programs be developed and delivered to educate all employees on the company policies related to the guidelines.

The Production Principles cover the following areas:

1. Country Laws & Regulations
2. No Forced Labor
3. No Child Labor
4. Freedom of Association
5. No Discrimination
6. No Harassment and Abuse and Fair Disciplinary Practices
7. Compensation and Benefits
8. Hours of Work
9. Health and Safety
10. Environment

Scope

The Responsible Production Principles applies to all business partners of Anvil, including but not limited to, all manufacturing contractors, including, cutting, sewing, printing, embroidery, finishing, dying, laundry and manufacturers who sell packages (for example, completed garments).

Procedures

To verify compliance, Anvil requires all factories producing for Anvil or on behalf of Anvil to be audited by Anvil's internal audit team or a third-party auditing firm on an annual basis. If the third-party audit report determines that the factory has violated any of the social audit standards, Anvil may end the business relationship with the factory or require the factory to implement a Corrective Action Plan (CAP).

ANVIL RESPONSIBLE PRODUCTION AND ETHICAL SOURCING PRINCIPLES

These Anvil Responsible Production and Ethical Sourcing Principles are minimum standards for production facilities. Contract manufacturers may not subcontract work without Anvil's express written consent and then only to approved subcontractors that abide by these Responsible Production Principles.

1. **Country Laws & Regulations.** Our contract manufacturers shall, at all times, be in compliance with relevant laws and regulations in all locations where they conduct business.
2. **No Forced Labor.** Our contract manufacturers shall not use or support the use of involuntary or forced labor – indentured, bonded or otherwise.
3. **No Child Labor.** Our contract manufacturers shall not hire any employee under the age of 15 (or 14 years of age where consistent with developing country exceptions under the ILO Convention 138), or the age interfering with compulsory schooling, or the minimum age established by law, whichever is greater. The contract manufacturer shall observe all legal requirements pertaining to employees under the age of 18, particularly those pertaining to hours of work and working conditions.
4. **Freedom of Association.** Our contract manufacturers shall recognize and respect the right of employees to freely join or not join associations.
5. **No Discrimination.** Our contract manufacturers shall prohibit discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on personal characteristics, including gender, age, race, disability, nationality, marital status, sexual orientation, and religious or political beliefs.
6. **No Harassment or Abuse and Fair Disciplinary Practices.** Our contract manufacturers shall provide a work environment free of harassment, abuse or corporal punishment in any form. Our contract manufacturers shall ensure that disciplinary practices for employees who violate company policies and rules are administered in a manner that is lawful, consistent and fair.
7. **Compensation and Benefits.** Our contract manufacturers shall pay at least the minimum total compensation required by local law, including all mandated wages, allowances and benefits.
8. **Hours of Work.** Hours worked each day, and days worked each week, shall not exceed the legal limitations of the countries in which product is produced. Our contract manufacturers shall provide at least one day off in every seven day period, except as required to meet urgent business needs.
9. **Health and Safety.** Our contract manufacturers shall provide a safe and healthy environment in the workplace and, where provided, in living accommodations.

10. Environment. Our contract manufacturers shall comply with environmental laws and regulations applicable to their operations and strive to incorporate sound business practices to protect the environment. Records of government inspections and findings.

All Anvil owned and operated manufacturing facilities shall also abide by Anvil's Responsible Production & Ethical Sourcing Principles except that Anvil does not hire employees under the age of 18. Anvil owned and operated manufacturing facilities shall also abide by specific certification standards applicable to each facility.