

Social Compliance Statement

Preferred Nation is committed to conducting all of its business in a socially responsible manner, meeting all federal and local laws and ethical environmental standards in the countries we conduct business. We also make sure to protect the health and safety of our employees, vendors, and customers – ensuring equal opportunities in all aspects of our business practices. Our code of conduct, which we require all our vendors and supply chain parties to strictly comply by, abides with all related national, local, or international laws and regulations. In the past few years, our compliance standards have been tested various times by Fortune 500 companies, proving that our compliance principles meet the standards of top tier companies.

Code of Conduct:

Child Labor:

- All vendors must maintain official documents showing employees date of birth and date of employment.
- Every employee must meet the country's minimum working age requirement or must be at least 16 years old, whichever is older.

Wages, hours, and benefits:

- All suppliers and subcontractors must comply with all applicable laws regarding wages, working hours, overtime, and employee benefits in their region.
- Factories are required to provide their workers with clear and understandable wage statements.
- All workers are to be paid no less than the required minimum wage for the area in which they work.
- Workers must be paid for overtime work and have these hours clearly recorded on wage statements. Workers should not exceed allotted overtime hours defined by the local law.
- Employers may not issue conditional employment practices which can lower an employee's wage below the minimum wage.
- All workers are entitled to a day off of work at least once a week.
- The total monthly overtime hours need to meet the local government law's requirement.

Health and safety:

- The workplace must be safe for all workers based on international and local standards.
- We require all our factories to follow all environmental safety laws and commit to creating a clean, safe working environment.
- All factories and workers' stations must be adequately lit and ventilated.
- There must be nearby operational fire extinguishers and fire alarms in the factory in case of a fire hazard.
- Each floor of the factory must have at least two exits which are clearly marked and unlocked during work hours.
- The size of doors must be sufficient to evacuate all workers efficiently and all doors, aisles, exits, and stairwells must be kept clear.
- All electric switches must be closed and all wires must be intact and protected.
- Each floor must provide clean drinking water for workers.
- Each floor must provide a first aid kit as well as someone trained in basic first aid procedures.

Forced Labor:

- All factories and suppliers associated with our products are prohibited from implementing any form of forced labor or imprisonment, whether it is mental or physical.

Fair and Equal Treatment:

- Discrimination of race, gender, ethnicity, sexual orientation, religious affiliation, or national origin in hiring and employment practices is strictly prohibited. Harassment, abuse, retribution of grievances, and corporal punishment will not be tolerated in working environments.
- Employees have the right to join a union at their discretion.

Environmental Safety:

- All vendors, suppliers, and sub-contractors must abide by all applicable environmental and safety laws and regulations, such as waste management, emissions, efficient treatment, and proper disposal of toxic or dangerous chemicals.
- All vendors and suppliers must provide a clean and safe working place.

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