

Agreement on the Prevention and Elimination of Gender-Based Violence and Harassment

This AGREEMENT (“**Agreement**”) is by and between Nien Hsing Textile Co., Ltd (“**Nien Hsing Lesotho**”) and the Independent Democratic Union of Lesotho (IDUL), the United Textile Employees (UNITE), the National Clothing Textile and Allied Workers Union (NACTWU), (together, the “**Unions**”) the Federation of Women Lawyers in Lesotho (FIDA) and Women and Law in Southern Africa Research and Education Trust - Lesotho (WLSA) (together, the “**NGOs**”) (altogether the “**Parties**”), and shall have as its effective date August 12, 2019 (“**Effective Date**”).

WHEREAS, Nien Hsing Lesotho is the owner and operator of factories, including some or all of C&Y, Global Garments, Nien Hsing International, Glory International, and Formosa Textile Company, which are located in Maseru, Lesotho (collectively, the “**Factories**”).

WHEREAS, the Unions and NGOs are civil society organizations that advocate for and provide services and support related workers and women’s rights in Lesotho.

WHEREAS, The Children’s Place, Inc., Kontoor Brands, Inc., and Levi Strauss & Co. (collectively, “**Brands**”) are global manufacturers of apparel that source products through independent factories, including some or all of the Factories, and have individually signed agreements (the “**Brand Agreements**” with Unions and NGOs (who are referred to collectively in those agreements as the “**Organizations**”).

WHEREAS, the Worker Rights Consortium (“**WRC**”), which is an independent labor rights monitoring organization focused on protecting the rights of workers who produce apparel products sold in the United States, conducted an investigation of working conditions at the Factories and, upon completion of the investigation, provided Nien Hsing Lesotho with a written report identifying certain conditions relating to gender-based violence and harassment affecting workers at the Factories, and will advise an oversight body (the “**Oversight Committee**”) on a comprehensive program to address allegations of gender-based violence and harassment at the Factories, investigation methods and establishment of a case management and reporting system (the “**Program**”);

WHEREAS, the Solidarity Center (“**Solidarity Center**”) is an organization dedicated to providing education and advocacy on workers’ rights, human rights and other related areas of concern, which will (i) establish as the entity that will implement the Program, an Office for the Prevention and Elimination of GBVH (the “**GBVH Prevention and Elimination Program Office**” or “**Program Office**”); (ii) assist with financial management and controls, design and quality assurance, and staff hiring and training for the Program Office; and (iii) select, subject to the approval of the Oversight Committee, a gender-based violence and harassment in the workplace assessor who will serve as Executive Director of the Program Office (the “**Assessor**”).

WHEREAS, Workers United (“**Workers United**”) is an American and Canadian union that represents workers in the apparel-textile, commercial laundry, distribution and other related industries, which will observe the implementation of the Program and provide advice and consultation to the Unions and NGOs on their participation in the implementation of the Program.

WHEREAS, Gender-Based Violence and Harassment in the Workplace, for purposes of this Agreement, is violence and/or harassment, including sexual harassment, directed at Workers by Other Persons in the Workplaces because of their sex, gender and/or gender identity, or affecting persons of a particular sex or gender disproportionately (“**Gender-Based Violence and Harassment,**” “**GBVH**”), where: (i) "Workers" means all individuals working for Nien Hsing Lesotho at the Factories regardless of their contractual status, including persons in training, workers on probation and applicants for work (“**Workers**”); (ii) "Other Persons" include Workers, managers, supervisors, customers, clients, suppliers and other third-party contractors in the Workplaces (“**Other Persons**”); and (iii) “Workplaces” includes the Factories’ production and non-production areas and premises, as well as any other location of work or work-related travel, training, or business or social activities of the Factories, and any work-related communications between or concerning Workers and Other Persons that are enabled by information and communication technologies (“**Workplaces**”). Additionally, this definition may include GBVH committed against a Worker by Other Persons, as defined here, while outside of the Workplaces or after work time, as such conduct nevertheless impacts the employment relationship.

WHEREAS, the Assessor shall (i) have legal and other relevant expertise concerning the issue of gender-based violence and harassment in the world of work, including investigation and interviewing witnesses and victims of gender-based violence and harassment in the workplace and issuing determinations of violations of policy and/or law; (ii) not previously have been employed or contracted to provide services by any of the Brands or by Nien Hsing Lesotho; and (iii) absent clear evidence of malfeasance or incompetence, as determined by the Oversight Committee, be permitted to carry out their activities, consistent with this Agreement, without restriction or interference by the Parties, other signatories, Brands or the Oversight Committee.

WHEREAS, the Parties, the Brands, WRC, Solidarity Center, and Workers United, all share the mutual goals of prevention and elimination of Gender-Based Violence and Harassment at the Factories, developing a culture of mutual respect and institutionalized acceptance in the Factories by Nien Hsing Lesotho and the Unions and NGOs, of the Unions’ roles as representatives of the Factories’ Workers in this Program, and the of NGOs’ expertise in the rights of women, maintaining the Factories’ competitiveness in a manner consistent with the prevention and elimination of GBVH, and supporting the establishment and implementation of the Program;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties and the other signatories hereto agree as set forth herein:

1. Term. This Agreement shall commence on the Effective Date and shall continue in force until terminated by mutual agreement of the Parties. After 24 months from the Effective Date, the Oversight Committee will evaluate implementation progress to determine whether progress has been sufficient to warrant modification of the Agreement to reduce its scope. If the Oversight Committee so determines, the Parties will convene to make amendments to the Agreement, for the purpose of increasing the role of Nien Hsing Lesotho’s human resources management in the Grievance Mechanism; reducing the role of the Program Office in the Grievance Mechanism, while maintaining the right of workers to bring a complaint to the Program Office if she or he chooses; reducing the scope and frequency of training; increasing

the role of Nien Hsing Lesotho's human resources management in the training process; and such other modifications as the Parties may agree to. If the Oversight Committee determines, after 24 months, that progress has been insufficient to warrant reduction of the scope of the Agreement, the Agreement will continue for 12 months without amendments to reduce its scope and the Parties will convene to make such amendments after 36 months from the Effective Date. Once the Oversight Committee has determined that sufficient progress has been made to warrant reduction of the scope of the Agreement, the Program Office will report to the Parties, the Brands, the Solidarity Center and the WRC, and will publicly report, that Nien Hsing Lesotho has achieved "Advanced Status" in its policies and practices concerning the prevention and elimination of GBVH. If the Parties, having convened for this purpose, cannot agree on amendments to the Agreement to reduce its scope, the Agreement will continue without such amendments until such time as Amendments are agreed. Thereafter the Parties will meet every 12 months to evaluate implementation progress and may make additional Amendments. The discontinuation by the Assessor and/or the Program Office of any of the Program's activities, for lack of funding or any other reason, shall not alter the Parties' obligations to fulfill any of their other commitments under this Agreement.

2. Nien Hsing Lesotho Commitments. Nien Hsing Lesotho shall cooperate with the Program, including, generally, by providing access by representatives of the Solidarity Center, the Unions and NGOs, the Program Office and the Assessor to the Workplaces for Program activities, and refraining from retaliation against Workers and other Program participants for participating in the Program or any other actions intended to undermine the success of the Program; and, specifically, Nien Hsing Lesotho will, to the extent feasible without incurring undue interference with the normal operations of the Factories, beyond as may be reasonably necessary to the prevention and elimination of GBVH:

- a. Culture Study and Organizational Review.** Beginning from the Effective Date, fully cooperate with studies to be conducted by the Program Office to gauge the current environment in the Factories concerning GBVH and set a baseline for Key Performance Indicators ("KPIs") for the Program ("Culture Study") and review Nien Hsing Lesotho's existing programs, policies and procedures concerning GBVH ("Organizational Review").
- b. Amendment of Nien Hsing Lesotho's Internal Procedures.** Will amend its internal company rules and procedures to reflect the provisions in the attached Appendix A ("Code of Conduct") and Appendix B ("Procedure for Investigations and Determinations of Remedies").
- c. Grievance Mechanism.** Beginning no more than 60 days from the Effective Date, fully cooperate with the Assessor and/or the Program Office investigators' ("Investigators") independent investigation of and issuance of findings and remedies regarding alleged violations of the Program Code of Conduct attached as Appendix A ("Code of Conduct"), which shall be conducted according to the procedure attached as Appendix B ("Procedure for Investigations and Determination of Remedies"), and/or of other terms of this Agreement ("Investigations"), and other regular monitoring of the Workplaces related to GBVH, including, but not limited to, by (i) making available Workers, Supervisors, and Managers for interview by the Assessor and/or the Investigators;

(ii) providing the Assessor and/or the Investigators with all records relevant to the subject matter of Investigations or other monitoring; (iii) promptly informing the Assessor of any Worker complaints concerning GBVH received by Nien Hsing Lesotho; and (iv) complying with the Assessor's findings and determinations of remedies regarding Investigations and other monitoring of the Workplaces, including implementing and complying with all resulting corrective action plans and other remedies issued by the Assessor for violations of the Code of Conduct, up to and including permanent termination of Workers, Supervisors Managers, Vendors and/or Subcontractors from all of the Factories ("Remedies"), and/or to strengthen Nien Hsing Lesotho's capacity to address GBVH (collectively, the "**Grievance Mechanism**").

Proviso Regarding Senior Factory Management: With respect to any findings and determinations of remedies by the Assessor concerning violation of the Code of Conduct by either the most senior Manager or the head of human resources of each of the Factories or either of the two most senior Managers employed in Lesotho by Nien Hsing Lesotho, and any remedies directed by the Assessor with respect to these persons, Nien Hsing Lesotho shall have the right to appeal such findings and determinations of remedies to the Oversight Committee, which may reverse them should the Oversight Committee determine, on the evidence available to the Assessor, that such the Assessor's findings and/or determinations of remedies with respect to the allegations against such Managers were clearly erroneous.

- d. Training and Capacity Building.** Beginning 60 days from the Effective Date, fully cooperate with the Program Office, the Unions and NGOs, and the Solidarity Center to require and support all Workers, Supervisors, and Managers, within 12 months of the Effective Date, or one month from their hiring, whichever comes later, and thereafter on no less than an annual basis, attending and completing a training program conducted for Workers, Supervisors and Managers by the Unions and NGOs, with capacity-building assistance from the Solidarity Center, to be held, with reasonable advance notice to Nien Hsing Lesotho, within normal working hours at the current rate of pay and in the Factories where the attendees are employed, regarding (i) GBVH; (ii) the Program's Code of Conduct; and (iii) the Grievance Mechanism (including notice from Nien Hsing Lesotho to Workers of their right to use the Grievance Mechanism without fear of retaliation); and (iv) the information and complaint line to be operated by the NGOs. The Parties may determine additional training needed for Supervisors and Managers to be conducted by an organization selected by the Parties.
- e. Program Maintenance and Sustainability.** Beginning 60 days from the Effective Date, cooperate with the Program Office, the Unions and NGOs and the Solidarity Center in integrating the Program policies and procedures into Nien Hsing Lesotho work culture, and developing a culture of mutual respect and institutionalized acceptance in the Factories by Nien Hsing Lesotho and the Unions and NGOs, of the Unions' roles as legitimate representatives of the Factories' Workers, and the of the NGOs' expertise in the rights of women, and the mutual need to maintaining the Factories' competitiveness in a manner

consistent with the prevention and elimination of GBVH, including by participating in joint workshops on this subject, and developing an evaluation of the Program's progress relative to the KPIs to be delivered to the Oversight Committee within 24 months of the Effective Date.

- f. Policies on Short-Term Contracts and Probationary Periods.** In recognition that short-term contracts and probationary periods may make Workers vulnerable to GBVH: (i) Refrain from hiring or employment of any Workers at the Factories under fixed-term employment contracts, with the sole exception of Workers hired to perform tasks that are by their nature temporary (i.e., of a duration of fewer than six months) *and* are non-recurring; (ii) In the case of any Worker on probation whose employment the company does not intend to continue past the probation period, provide the Worker with notice of this decision no fewer than ten (10) days prior to the end of the probation period; (iii) In the case of a Worker on probation who submits an allegation of a violation of the Code of Conduct via the Program's Grievance Mechanism and whose allegation is later found to have merit by the Assessor, pass the Worker from probation; (iv) In the case of a Worker on probation who submits an allegation of a violation of the Code of Conduct via the Program's Grievance Mechanism, whose employment is subsequently terminated at the end of the probation period but before the investigation by the Assessor of the allegation has been completed, and whose allegation is later found to have merit by the Assessor, reinstate the Worker, with back pay, and pass the worker from probation; (v) If it intends to terminate, for reasons unrelated to this Program, a Worker who has previously submitted an allegation of a violation of the Code of Conduct via the Program's Grievance Mechanism that was found to have merit by the Assessor, notify the Assessor of this decision at least seven (7) days prior to terminating the Worker, provide the Assessor with the reasons for termination, and, in the event that the Assessor concludes that there is a retaliatory motive for the dismissal or that the behavior or performance deficiencies underlying the decision to terminate the Worker were caused in substantial part by the effects of the harassment or abuse the Worker previously suffered, refrain from terminating the Worker.
- g. No Retaliation or Interference.** In recognition of the essential role of the Unions in the implementation of the program, and consistent with principles of freedom of association, refrain from any form of retaliation or discrimination against or interference with any Worker(s) for forming, joining or participating in a trade union.
- h. Successorship.** Require any purchaser, transferee, lessee, or receivers or trustee of the Factories covered by this Agreement to accept, in writing, all terms and conditions of this Agreement, and shall provide a copy of this written acceptance to the Lesotho Unions and NGOs and other signatories at least 30 days prior to the effective date of any such sale, transfer, lease, receivership, or bankruptcy proceeding.
- i. Designation of Project Manager and Factory Contact Points.** Beginning 30 days from the effective date designate, and update when needed, six members of

Nien Hsing Lesotho's management who shall serve as Nien Hsing Lesotho's (i) Nien Hsing Lesotho overall Project Manager with respect to the Program; and (ii) primary points of contact with respect to the Program at each of the Factories.

3. Unions and NGOs' Commitments. As Parties and stakeholders in the Program, each of the Unions and NGOs shall have the right and the responsibility to:

- a. Culture Study and Organizational Review.** Beginning from the Effective Date, fully cooperate with a study to be conducted by the Program Office to gauge the current environment in the Factories concerning GBVH and set a baseline for Key Performance Indicators for the Program ("Culture Study"), and review Nien Hsing Lesotho's existing programs, policies and procedures concerning GBVH ("Organizational Review"), including by assisting the Program Office in arranging interviews with and surveys of Workers on these subjects.
- b. Training and Capacity Building.** Beginning 60 days from the Effective Date, jointly develop capacity and curriculum for, in consultation with the Program Office and the Solidarity Center, and deliver trainings to Workers concerning the Code of Conduct, the Grievance Mechanism, the Program, and GBVH, including, but not limited to, the trainings referenced in Section 2.b. of this Agreement, which shall include, but not be limited to, a description of the elements of the Program and the process by which it was established, including the central roles of the Unions and NGOs in negotiation of this Agreement and the Brand Agreement and by the Unions in their longstanding advocacy for workers in these factories and for bringing to the attention of the Brands and the WRC the situation for women's rights in the Factories.
- c. Grievance Mechanism.**
 - i. Role of the Unions.** Beginning 60 days from the Effective Date, provide assistance to Workers, if requested by the Worker, concerning their use of the Grievance Mechanism, including to:
 - Assist Workers who are members of their respective Unions to bring complaints and provide testimony and other information in good faith to the Assessor and/or the Program Office's investigators; and
 - Inform Worker complainants and witnesses of the availability of union representation and/or, at the discretion of the respective Union, legal assistance during the Investigation to any Worker who is or shall have become a member of one of the Unions.
 - ii. Role of the NGOs.** Beginning 60 days from the Effective Date, provide assistance to Workers, including to:

- Provide legal assistance and/or referrals to private counsel or government authorities to Worker complainants who are referred to the NGOs by the Program Office;
- Collaborate with, and refer Workers to, persons and organizations that can provide certified, professional counseling, trauma-related support, and other related assistance to Workers affected by GBVH; and
- Operate an Information and Complaint Line for Workers at the Factories, to support Workers' access to the Grievance Mechanism, whose design will be informed by the results of the Culture Study.

- d. Program Maintenance and Sustainability.** Cooperate with the Program Office, Nien Hsing Lesotho and the Solidarity Center in integrating the Program policies and procedures into Nien Hsing Lesotho work culture, and developing a culture of mutual respect and institutionalized acceptance in the Factories by Nien Hsing Lesotho and the Unions and NGOs, of the Unions' roles as legitimate representatives of the Factories' Workers, and the of the NGOs' expertise in the rights of women, and the mutual need to maintaining the Factories' competitiveness in a manner consistent with the prevention and elimination of GBVH, including by participating in joint workshops on this subject, and developing an evaluation of the Program's progress relative to the KPIs to be delivered to the Oversight Committee within 24 months of the Effective Date.
- e. Designation of Project Manager.** Beginning 30 days from the effective date, designate, and update when needed, for each Union and NGO, one person who shall serve as that organization's Project Manager with respect to the Program.

4. Material Default.

- a. The Assessor shall have independent authority and discretion to reach a determination, via either of investigation undertaken by the Investigators and/or the Assessor of the Assessor's own volition or in response to a complaint received from one or more of the Parties or other signatories, whether or not Nien Hsing Lesotho or one or more of the Unions and NGOs, in any instance, has materially failed to abide by the terms of this Agreement ("Material Default").
- b. Should the Assessor reach a determination that Nien Hsing Lesotho or one or more of the Unions and NGOs has Materially Defaulted the former shall so notify the Oversight Committee of this determination.
- c. Notification of the Oversight Committee by the Assessor of a Material Default by one or more of the Parties shall be the exclusive mechanism for the enforcement of, and resolving or adjudicating any dispute, controversy or claim arising out of or relating to this Agreement, or the interpretation hereof.

5. No Court Proceedings. No Party may institute any court proceedings concerning any matter arising from this Agreement, except that any of the Unions and NGOs may initiate court proceedings in the Federal courts of the District of Columbia of the United States to enforce an arbitration award if that award is enforcing one or more of the Brand Agreements.

6. Initial Public Announcements. The Initial Public Announcement of this Agreement, the Brand Agreement, and the establishment of the Program provided for under Article 8 of the Brand Agreement shall be the sole and exclusive initial public announcement of the same, and none of the Parties to this Agreement may issue another initial press release, public disclosure, and/or announcement concerning or related to the execution of this Agreement and the Brand Agreement, and/or the establishment of the Program.

7. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination by a court of law that any term or provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the terms and conditions contemplated hereby be effectuated as originally contemplated to the greatest extent possible.

8. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties and other signatories hereto with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter.

9. Notice. Each Party and other signatories hereto shall deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") in writing and addressed to the other Parties and signatories, as applicable, at the addresses set forth on in the Signature Block Section of this Agreement (or to such other address that the receiving Party and signatories, as applicable, may designate from time to time in accordance with this Section). Each Party and each other signatory, as applicable, shall deliver all Notices by personal delivery, recognized international overnight courier (with all fees prepaid) or email with confirmation of transmission, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only if the Party or other signatory giving the Notice has complied with the requirements of this Section.

10. Amendment. Any amendment to the terms and conditions of this Agreement shall be in writing and signed by all the Parties hereto.

11. Counterparts. This Agreement may be signed in counterparts, including by facsimile or PDF, each of which taken together, shall constitute one and the same agreement.

12. Governing Law. This Agreement and all matters arising out of or relating to it, are governed by and construed in accordance with the laws of Lesotho, however, this does not mean that international principles cannot be applied where necessary. No Party shall be obligated to carry out

any obligation under the Agreement in a manner that would require that Party to violate the laws of Lesotho.

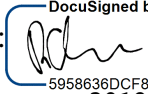
13. Miscellaneous. Nothing contained in this Agreement will create a joint venture, employer-employee, principal-agent or other similar relationship. No Party is authorized to sign, contract, deal, or otherwise act in the name of or on behalf of any other Party. This Agreement may not be assigned by any Party without all of the other Parties' prior signed and written consents that have been conveyed through electronic mail.

SIGNATURE BLOCK

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth above:

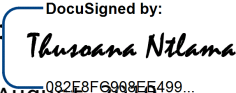
Nien Hsing Textile Co., Ltd.

Richard Chen, Chairman
richard.chen@nhjeans.com

Signature: 
Date: 12 August 2019


Federation of Women Lawyers in Lesotho

Thusoana Ntlama, Program Coordinator
thntlama@gmail.com

Signature: 
Date: 12 August 2019

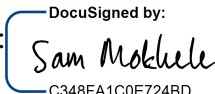
The Independent Democratic Union of Lesotho

May Rathakane, Deputy General Secretary
mayrathakane009@gmail.com

Signature: 
Date: 09 August 2019

National Clothing Textile and Allied Workers Union

Sam Mokhele, General Secretary
nactwu@gmail.com

Signature: 
Date: 09 August 2019

United Textile Employees

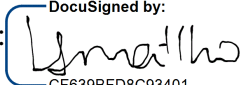
Daniel Maraisane, Deputy General Secretary
unionunite086@gmail.com

Signature: 
Date: 10 August 2019

Women and Law in Southern Africa Research and Education Trust - Lesotho

Libakiso Matlho, National Director

libakisomatlho@yahoo.com

Signature:  DocuSigned by:
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Date: 12 August 2019

APPENDIX A

Program Code of Conduct

1. **Purpose.** The Program’s Code of Conduct is established in order to prevent and prohibit Gender-based Violence and Harassment in the Workplace against the Workers of the Factories, **C&Y, Global Garments, Nien Hsing International, Glory International, and Formosa Textile Company** in Maseru, Lesotho (“the Factories”).
2. **Definition of Gender-Based Violence and Harassment in the Workplace.** Gender-based Violence and Harassment in the Workplace is defined as violence and/or harassment, including sexual harassment, directed at Workers Other Persons in the Workplaces because of their sex, gender or gender identity, or affecting persons of a particular sex or gender disproportionately, where: (i) "Workers" means all individuals working for Nien Hsing Lesotho at the Factories regardless of their contractual status, including persons in training, workers on probation and applicants for work (“Workers”); (ii) "Other Persons" include workers, managers, supervisors, customers, clients, suppliers and other third-party contractors in the Workplaces (“Other Persons”); and (iii) “Workplaces” includes the Factories’ production and non-production areas and premises, as well as any other location of work or work-related travel, training, or business or social activities of the Factories, and any work-related communications between or concerning Workers and Other Persons that are enabled by information and communication technologies (“Workplaces”). Additionally, this definition may include GBVH committed against a Worker by Other Persons, as defined here, while outside of the Workplaces or after work time, as such conduct nevertheless impacts the employment relationship.
3. **Persons and Companies Required to Comply with this Code of Conduct.** The following persons and companies are required to comply with this Code of Conduct as a condition of being employed by or doing business with Nien Hsing Lesotho or any of Factories:
 - a. Any and all Workers and Other Persons employed by Nien Hsing Lesotho at any of the Factories, or any of Nien Hsing’s or the Factories’ Suppliers or Other Third-party Contractors; and
 - b. All Suppliers and Other Third-party Contractors that provide or deliver labor, services or goods to any of the Factories.
4. **Practices and Acts Prohibited by this Code of Conduct.** The following practices and acts are strictly prohibited:
 - a. Any **Gender-based Violence or Harassment in the Workplace, including Sexual Harassment**, as defined above in this Code of Conduct;
 - b. Any **act of retaliation or discrimination** against any person(s) for:
 - Using, or attempting to use, the Program’s information and complaint-line, Grievance Mechanism or any other legal method, to lodge in good faith a

complaint of a violation of this Code of Conduct;

- Cooperating with the Investigators and/or the Assessor, including by providing testimony or other information or evidence in good faith to the Investigators and/or the Assessor;
- Engaging in any other conduct in opposition to Gender-based Violence and Harassment in the Workplace that is lawful and consistent with the Workplaces' internal rules and regulations or otherwise protected under Lesotho law, international labor standards or Buyers' codes of conduct or other standards for vendors; or
- Declining or discontinuing performance of any work assignment or directive of a supervisor or manager on account of reasonable, good faith concerns regarding an actual or potential violation of this Code of Conduct;

c. *Where:* (i) one or more of the person(s) affected by these prohibited practices or acts are Workers or Other Persons; *or* (ii) any of these prohibited practices or acts are committed at one of the Workplaces; and

d. *Provided that,* in no case shall the scope of the conduct prohibited by this Code of Conduct be inferior to the scope of the conduct deemed unlawful under the Lesotho Labour Code Order, Order Number 24 of 1992, Part XV – Unfair Labor Practices, Article 200, the Lesotho Sexual Offences Act of 2003, any amendments to same and any new legislation or regulation which may be enacted or adopted by Lesotho related to gender-based violence and harassment.

5. Penalties and Remedies for Violation of this Code of Conduct. The prohibited behaviors, practices and acts listed above will result in:

a. Disciplinary action for those responsible, up to and including permanent termination of employment or business relations by Nien Hsing Lesotho, the Factories and/or their Vendors and Subcontractors; *and/or*

b. No Loss of Wages. There shall be no loss of wages as result of time lost for filing a valid claim, counseling for psychological trauma, participating in an investigation resulting in a finding of GBVH, and receiving medical treatment.

6. Amendment and Modification of this Code of Conduct. The above Code of Conduct shall be subject to amendment and modification from time to time by the Oversight Committee of the Program, which shall not require the amendment of this Agreement by the Parties.

APPENDIX B

Procedure for Investigation and Determination of Remedies

As a general matter, the Investigations will be conducted by the Investigators and the Assessor will make the determination based on the findings of the Investigation.

The Program Office shall, in conducting Investigations and determining Remedies:

1. Conduct Investigations of the subject matter of all allegations that, if true, would constitute a violation of the Code of Conduct; and maintain records of the subject matter, handling, and disposition of all complaints received via the Grievance Mechanism, whether investigated or not.
2. Request that the any complainant(s) identify witnesses and other persons with first-hand information relevant to the subject matter of the Investigation, and, wherever prudent, interview these individuals at an offsite location.
3. Maintain, unless given express personal permission to the contrary, the confidentiality of complainants, witnesses, and other individuals providing information to the Investigators and/or the Assessor concerning the subject matter of an Investigation and ensure that such persons will be protected from retaliation for cooperating with the investigation.
4. If, at any time, it will not be possible to carry out a fair and credible Investigation or to direct Remedies if violations are found, while also maintaining the confidentiality of the complainant and/or any of the witnesses, inform any complainants and/or relevant witnesses, and secure their informed consent before proceeding further with the Investigation and/or incorporating the latter's testimony into the investigation's findings.
5. In order to avoid interference with the Investigation, whenever possible, schedule interviews with complainant(s), witnesses, and other persons with first-hand information relevant to the subject matter of the Investigation in advance, and arrange that these interviews be conducted in a location away from the Factories, prior to interviewing the person(s) alleged to have violated the Code of Conduct, any witnesses proposed by the latter, or any Supervisors or Managers (except where the Supervisor or Manager to be interviewed is a complainant).
6. When interviewing the person(s) alleged to have violated the Code of Conduct and/or any Managers and Supervisors, inform the interviewees that any form of retaliation against the complainant or other persons providing information to the Investigators concerning the subject matter of an Investigation will result in the Assessor requiring that those responsible for the retaliation be subjected to disciplinary action, up to and including termination or dismissal.
7. The Assessor and/or Investigator may direct paid leave for the complainant to protect the complainant's safety and security during the course of the Investigation and/or the suspension with pay for the person who has been alleged to have committed GBVH, pending a determination by the Assessor.

8. The Assessor shall reach a determination as to whether in each Investigation:

- The preponderance of the evidence gathered indicates that the Code of Conduct has been violated; or
- Prima facie evidence indicates that those alleged to have violated the Code of Conduct should be required to demonstrate their lack of culpability; and having been given reasonable opportunity to do so, the preponderance of the evidence indicates that they have failed to meet this burden; and

If either should be the case, the appropriate Remedies as a result.

9. If in the course of any Investigation the appropriate Remedies may include the termination of person(s) alleged to have violated the Code of Conduct, provide: (i) to Nien Hsing Lesotho, the information necessary to inform such persons, in a timely fashion, of the specific alleged conduct for which termination may be determined to be an appropriate Remedy; and (ii) to such persons, a timely opportunity to defend themselves against the allegations of such conduct, unless, in light of the circumstances and nature of such conduct, it is not reasonable to provide this opportunity.

10. Communicate the final determination for each Investigation and the associated Remedies, if any, to any complainants, any of the Unions and NGOs that such complainant(s) may have designated as his/her representatives, and to Nien Hsing Lesotho, and provide the latter with: a period of 14 days to implement or commit in writing to implement the Remedies, if any.

11. Where the appropriate Remedies have been determined to include the termination of person(s) found to have violated the Code of Conduct (such person(s) having been provided a timely opportunity to defend themselves under Section 9 of this Procedure), to provide Nien Hsing Lesotho with a written statement of the reason for the termination that Nien Hsing Lesotho shall provide to such persons.

12. **Public Reporting.** The Program Office shall publicly report on the Program elements, such as the Code of Conduct and the Procedure for Investigation and Determination of Remedies, as well as periodically publish a report on the progress of the Program, including statistics, such as the number of complaints and the number of cases in which a complaint led to the determination that the Code of Conduct was violated, and case examples illustrative of the Program's work, which shall not include the names of individuals involved in the complaint or information that would lead to their identification and which shall not be publicly reported until at least four (4) months from the date on which the Investigation resulted in a determination. Additionally, the Program Office will report to the Workers, Complainant and the Parties the determination of each Investigation and the Remedies imposed by the Assessor, if any. Nien Hsing Lesotho will inform Workers, via posting and announcements inside the Factories, and managers of other apparel and textile businesses operating in Lesotho, via disclosure to the Lesotho Textile Exporters Association, of the names of Managers and Supervisors who have been dismissed due to a Determination of a violation of the Code of Conduct. If there is a determination by the Oversight Committee that Nien Hsing Lesotho is in violation of this Agreement, this determination will be immediately made public by the

Program Office and will include a summary of the nature of the violation.

13. In all cases, absent express permission to the contrary, such public reports shall not contain any information that would allow any complainants, or any witnesses other than the person(s) alleged to have violated the Code of Conduct, to be identified.

14. In conducting investigations, determining remedies, and giving effect to remedies, the Parties agree that all of such activities shall be effected in a manner in which all parties (the Unions and NGOs, the Assessor, Investigators and Nien Hsing Lesotho) are in compliance with all Lesotho Labor Codes, Laws, and Regulations.

15. Should it be determined by a Court of Law that any of the provisions of this Procedure conflict with the binding provisions of Lesotho Law, such provisions of this Procedure shall be amended by the Parties to resolve such conflict.