



CMCBrands Code of Conduct

Version 1.01

Corporate Office:
2302 Weldon Parkway
St. Louis, MO 63146

CODE OF CONDUCT

INTRODUCTION

CMCBrands takes compliance with laws and respect for human rights very seriously. We select business partners/factories/suppliers that share our same commitment to ensure all workers are managed in an objective, fair and equitable manner. CMCBrands has a zero-tolerance policy as it pertains to child labor, forced labor, discrimination, and unsafe working environments. Our Code of Conduct provides basic requirements that all facilities must meet in order to do business with CMCBrands.

In addition, CMCBrands will conduct, or have conducted on our behalf, audits of production facilities and business practices in order to monitor our suppliers' commitment to our code of conduct and to help facilitate improvement and greater partnerships with all our suppliers within our supply chain.

COMPLIANCE WITH LAWS

All CMCBrands suppliers, whether directly producing goods or indirectly supplying parts or services on behalf of a direct manufacturer, shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules, and regulations. This includes compliance with the Code of Conduct and the terms and conditions of purchase orders issued by CMCBrands and/or any of its affiliated brands.

All suppliers must allow CMCBrands and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

All manufacturing facilities must also comply with U.S. Customs Trade Partnership Against Terrorism ("C-TPAT") requirements. Suppliers shall communicate the policy to any next-tier suppliers, management personnel, employees, and any recruitment agencies (including labor agents, contractors etc.) used in the recruitment, hiring, or management of employees.

CHILD LABOR

Use of child labor is strictly prohibited. Suppliers will not employ anyone under the age of 15, under the minimum age as established by applicable law in the country of manufacture, or under the age of completing compulsory education, whichever is older.

Suppliers must not expose anyone under the age of 18 to situations that are hazardous, unsafe, or unhealthy, and will provide adequate protection from exposure to such conditions.

Suppliers must also have established procedures for age verification as part of their hiring process and provide documentation for such procedures to CMCBrands upon request.

Refer to ILO Conventions 138 and the UN Convention on the Right of the Child

CODE OF CONDUCT

FORCED LABOR

“Forced labor” is labor that is not paid lawful wages for work, is not working voluntarily, or may not quit at will. Factory/supply partners are prohibited from using involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments.

In addition, factories shall not use suppliers anywhere in the supply chain to include, but not limited to, purchasing of materials & trims, manufacturing, finishing, and packing of products for CMCBrands provided by factories using forced labor. This includes labor that is provided under duress, financial obligation, or improper oversight.

Work must be voluntary and workers must be free to leave work and terminate their employment or other work status at any time. Workers must not be required to make any monetary deposits or surrender any original identification documents as a condition of employment.

CMCBrands has a zero-tolerance policy on forced labor. Violations will result in factory/supply partners being permanently prohibited from producing merchandise on behalf of CMCBrands and its respective brands.

CONTRACT LABOR REQUIREMENTS

Suppliers that recruit or employ foreign contract workers shall ensure that these workers are treated fairly and on an equal basis with its local workers. Workers must not be required to make any monetary deposits or surrender any original identification documents as a condition of employment.

All employees whether contracted or otherwise, must be employed voluntarily and must be free to terminate their employment at any time. Suppliers must ensure that foreign workers are in the country legally and have valid work permits.

HUMANE TREATMENT

Suppliers must treat all workers with respect and dignity. The use of corporal punishment or any other form of physical or psychological coercion is strictly prohibited. Written disciplinary policies and procedures and records of disciplinary actions for all employees must be maintained by all factory/supply partners within the supply chain.

- a. Supplier does not engage in or permit physical acts to punish or coerce workers.
- b. Supplier does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.
- c. Abusive security practices, including opposite sex frisking and removal of clothing, is prohibited.
- d. Employees must be guaranteed freedom of movement, including access to restrooms, drinking water and medical facilities at all times.

CODE OF CONDUCT

WOMEN'S RIGHTS

Suppliers will ensure that workers who are women receive equal treatment in all aspects of employment. Pregnancy tests or unlawful medical tests/examinations will not be a condition of employment or continuation thereof.

Workers will not be exposed to hazards that may endanger their reproductive health and workers will not be forced to use contraception.

Upon returning from maternity leave, women must be given an equivalent position and pay to the position they held prior to their leave. Suppliers are prohibited from firing or taking any adverse action against a woman because she is pregnant.

DISCRIMINATION

Suppliers are expected to maintain a work environment free of discrimination and to employ legally-eligible workers based on their skills, qualifications, and their ability to do the job.

The factory must pay workers' wages and provide benefits without regard to race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, social origin, disability, sexual orientation, membership in workers' organizations including unions, or political affiliation.

Workers with the same skills, experience, qualifications, and performance shall receive equal pay for equal work in accordance with all labor laws.

OCCUPATIONAL HEALTH AND SAFETY

Factory/supply partners must comply with all applicable laws and regulations regarding working conditions and provide workers with a safe and healthy working environment.

- a. Suppliers must comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical, and structural safety.
- b. Suppliers maintain and monitor lighting and noise levels, as required by law. Where lightening and/or noise levels depart from the legal limit, factories must comply with legally required remedial action such as personal protective equipment and/or soundproofing.
- c. Suppliers must provide employees, at no-cost to the employees, with appropriate personal protective equipment in accordance with the established protocols and as required by law.
- d. Employees must wear personal protective equipment in accordance with established policies, codes, and as required by law.
- e. Work surface lighting in production areas such as sewing, knitting, pressing, and cutting must be sufficient for the safe performance of production activities.
- f. Suppliers must prevent extreme temperatures within the facilities by providing heating and cooling mechanisms and ensuring the factory has adequate circulation and is well ventilated as required by law.

CODE OF CONDUCT

OCCUPATIONAL HEALTH AND SAFETY continued

- g. Suppliers must have fully stocked first aid kit(s) with in-date supplies (including basic supplies such as bandages, pain relievers, anti-bacterial ointment, tourniquets, tape, etc.) on every floor.
- h. First aid supplies must be accessible to all employees during all working hours. An adequate number of employees must be trained for first aid procedures for all shifts.
- i. Suppliers must provide and maintain first aid training records as well as report, investigate and maintain records of employee and facility accidents, as required by law.
- j. Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.
- k. Doors and other exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. All main exit doors open to the outside.
- l. Working fire alarms are present on each floor and emergency lights are placed above exits and on stairwells.
- m. Aisles, exits, and stairwells are kept clear at all times and clearly marked to ensure orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked in all sections of the factory.
- n. All supplier facilities must have a risk assessment process in place to identify potential risks associated with the facility operations and remediation plans for such identified risks.

FREEDOM OF ASSOCIATE AND THE RIGHT TO COLLECTIVE BARGAINING

Workers are free to join associations of their own choosing. Suppliers shall not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the workers.

Refer to ILO Conventions 87, 98, and 154

WORKING HOURS

While it is understood that overtime is sometimes required, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions. Factories shall set working hours in compliance with all applicable laws. The maximum allowable working hours in any week shall be the lesser of:

- a. 48 hours per week and 12 hours overtime or,
- b. The limits on regular and overtime hours allowed by the law of the country of manufacture or,
- c. Where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime.
- d. All workers must be entitled to at least one day off in every seven-day period.
- e. Workers may refuse overtime without any threat of penalty, punishment or dismissal.

CODE OF CONDUCT

OVERTIME COMPENSATION

In addition to their compensation for regular hours of work, employees must be compensated for overtime hours at premium rates as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

Factories must regularly provide reasonable daily rest periods. Working hours for all workers, including temporary workers, must be recorded by an automated timekeeping system. All hours worked must be recorded and the worker properly compensated for both regular and overtime working hours and any time used for work preparations or repairs, in accordance with the local labor laws.

WAGES & BENEFITS

Wages, overtime and legally mandated benefits must be paid on-time and on a regularly scheduled basis, with documentation and accordance to applicable laws. Employers must pay at least the minimum wage, the industry wage or the wage negotiated in a collective agreement, whichever is higher. Suppliers must not deduct wages that are not provided for by applicable local law. Suppliers are encouraged to pay workers a wage that meets basic needs and provides discretionary income.

Employees shall be paid for all hours worked. Employees shall not be brought on as temporary workers or terminated for periods of time for the purpose of avoiding the payment of mandatory benefits.

Wages must be paid to workers directly and in a timely manner.

- a. Supplier provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.
- b. Supplier pays overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be equal or higher than the rates for the regular work shift.
- c. Supplier issues pay slips to employees in the language understood by employees. Pay slips must contain, at a minimum, regular and overtime hours worked, regular and overtime earnings, incentives and deductions. The factory ensures employees understand the pay slip content.
- d. Supplier abides by all applicable laws on mandatory overtime. Mandatory overtime (if legally permitted) must be within legal overtime limits in policy and in practice. Mandatory overtime must not be implemented under the menace of penalty.
- e. Suppliers maintain complete and accurate payroll and production records as required by law.
- f. Suppliers must provide documentation upon request by CMCBrands to respective payroll documentation.



CODE OF CONDUCT

WHISTLEBLOWER PROTECTION AND ANONYMOUS COMPLAINTS

Supplier shall provide an anonymous complaint/feedback mechanism for managers and workers to report workplace grievances. Whistleblower must be given confidentiality and prohibit retaliation.