

AMEREX GROUP, LLC

SUPPLIER CODE OF CONDUCT

Preface

This Supplier Code of Conduct sets forth the commitment of Amerex Group, LLC to do business only with those suppliers and factories that share Amerex's commitment to fair and safe labor, health & environmental practices.

The Supplier Code of Conduct defines our minimum expectations. Since no Code can be all-inclusive, we expect our vendors to ensure that no abusive or exploitative conditions and practices or unsafe working conditions exist at the facilities where our merchandise is manufactured. Amerex Group, LLC will not tolerate any vendor that directly or indirectly, through its subcontractors, violates the laws of the country where the merchandise is manufactured.

A copy of this Supplier Code of Conduct, translated into the native languages of the workforce, should be prominently displayed within each facility where Amerex Group, LLC merchandise is manufactured.

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I. GENERAL EMPLOYMENT STANDARDS & PRACTICES

1. **Forced Labor:**

There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

2. **Child Labor & Age Verification:**

No person shall be employed at an age younger than 15 (or 14 where the governing law allows such employment), or younger than the age for completing compulsory education if the age in the country of manufacture is greater than 15.

All facilities are required to maintain official documentation in order to verify each worker's date of birth, as well as appropriate records documenting that the employer adheres to all restrictions under local labor laws that apply to juvenile workers.

3. **Harassment or Abuse:**

Workers shall be treated with respect and dignity. Workers shall not be subject to any physical, verbal, sexual or psychological harassment or abuse in connection with their employment.

4. **Nondiscrimination:**

Workers should be employed and compensated based upon their ability to perform their job, rather than on the basis of gender, race, religious or cultural beliefs.

5. **Wages and Benefits:**

Employers shall pay workers for all work completed and shall pay at least the minimum wage required by law or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

Employers should provide to workers, for each pay period, a clear and understandable wage statement that includes days worked, wage or piece rate earned per day, hours of overtime, bonuses, allowances and a description of any and all deductions.

Manual or electronic time cards should be used for hourly workers. For "piecework" workers, an industry recognized system, capable of audit verification, should be used.

6. **Work Hours:**

As part of normal business operations, workers shall be entitled to at one full day off out of each seven-day week. In the case of those countries where laws do not limit the hours of work, workers should not be required to work on a regular basis in excess of a regular work week plus 12 hours overtime. Workers shall not be asked or required to take work home or off premises.

7. **Overtime:**

It is understood that overtime is often required in the manufacturing process. In addition to compensation for regular hours of work, workers shall be compensated for overtime hours at such a premium rate as legally required or, in countries where there is no legal standard, at industry standards. In no event shall this be at a rate less than the regular hourly rate. Factories shall carry out operations in ways that limit overtime to a level that ensures productive and humane working conditions.

8. **Compliance with Laws:**

All Standards set forth in this Code of Conduct are subject to compliance with applicable local law. All factories shall operate in full compliance with the laws of their respective country of manufacture. If any standard set forth in this Code of Conduct is, in the factories' judgment, deemed to violate an applicable local law it must advise Amerex promptly in writing.

9. **Subcontractors:**

All subcontractors must be disclosed to Amerex prior to production, and all subcontractors and facilities must be pre-approved by Amerex. Any subcontractor must be in compliance with this Code of Conduct and each of factories is responsible for ensuring its subcontractor's compliance.

II. HEALTH & SAFETY STANDARDS & PRACTICES

1. Health and Safety - Factories:

- Factories should have adequate circulation and ventilation.
- Free potable water should be reasonably accessible to all workers throughout the working day.
- Workers should have access to reasonably clean and private toilet facilities in adequate numbers for each gender.
- There is to be no use of corporal punishment.
- Work areas should be sufficiently lit so that manufacturing tasks may be safely performed.
- All equipment should be tested regularly and properly maintained. Operational safety devices should be installed on equipment where appropriate.
- Where appropriate, factories should make available personal protective equipment to workers performing hazardous tasks.
- Hazardous and combustible materials should be stored in secure, well ventilated areas.
- Each factory should have at least one well-stocked first aid kit.
- We require that each enclosed manufacturing facility have an adequate number of clearly marked, unlocked exits in order to provide for an effective evacuation in case of emergency. By adequate, it is meant that each work station should be within 200 feet of an exit.
- Aisles, exits and stairwells should be kept clear of any obstructions that could prevent the orderly evacuation of workers.
- Each facility should have appropriate fire prevention capability based upon the size of the facility and number of workers normally occupying the premises.
- Fire extinguishers should be properly maintained and inspected annually, tagged with the most recent inspection date, and properly deployed throughout the premises to be visible and accessible to workers in case of fire.
- Factories should conduct a minimum of one emergency evacuation drill per year.
- Emergency evacuation diagrams should be posted and clearly visible to employees.

2. Dormitories/Living Facilities:

The following standards shall apply where workers are housed in facilities provided by the supplier/facility:

- Facilities should have adequate ventilation and circulation.
- Free potable water should be readily accessible.
- Clean and private toilet and bathing facilities should be reasonably accessible.
- Each housing facility should have at least one well-stocked first aid kit.
- Each housing facility should have an adequate number of unlocked and clearly marked exits for evacuation in case of emergency.
- Aisles, exits and stairwells should be kept clear from any obstructions that could prevent orderly evacuation.
- Each living facility should have appropriate fire prevention capability based upon the size of the facility and number of workers normally occupying the premises.
- Fire extinguishers should be properly maintained and inspected annually, tagged with the most recent inspection date, and properly deployed throughout the premises to be visible and accessible to employees in case of fire.
- A minimum of one emergency evacuation drill per year should be conducted.
- Emergency evacuation diagrams should be posted and clearly visible to employees.
- The living space per worker in their sleeping quarters must meet all minimum legal requirements.

III. ENVIRONMENTAL STANDARDS & PRACTICES

1. Environmental Management System:

- The organization has an environmental policy
- A mechanism is in place to monitor changes in environmental laws and regulations to achieve and maintain compliance
- A member of the management team has been appointed and properly trained for the coordination of environmental management activities
- An emergency protocol to deal with environmental incidents has been developed - the emergency protocol should include an emergency plan, trained emergency team and regular drills
- Regular environmental training is provided to employees
- The organization has a corrective action procedure in place to address environmental non-conformance

2. Air Emissions:

- There is a complete written inventory of emissions sources identifying the source, type and amount of each pollutant
- Air emission sources are equipped with pollution control devices that remove or filter the contaminants prior to release when needed
- Maintenance of air emission control equipment is performed on a regular basis
- ODS (ozone depleting substances) containment equipment is inspected and maintained on a regular basis to prevent the accidental release of substances
- Appropriate permits/authorizations have been obtained as required by local and national regulations and the organization is in compliance with all permit/authorization parameters
- Local and national regulation air emissions limits are complied with
- Appropriate procedures are in place to take immediate corrective action in the event that air emissions limits are exceeded
- Regular air emissions monitoring (sampling and testing) as required by local and national regulations are conducted

3. Energy and Greenhouse Gas Emissions:

- There is a current and complete energy use inventory (e.g. energy consumption data from energy bills and meter readings, fuel bills, gas bills)
- There is a current and complete inventory of greenhouse gas emissions (direct and indirect)
- The organization meets all applicable energy and greenhouse gas emissions legal requirements

4. Solid (Non-Hazardous) Waste Management:

- All appropriate permits for on-site waste disposal required by local & national regulations have been obtained
- Waste containers and appropriate labels are maintained and kept in good condition
- Waste inventory and tracking records are complete and current
- Solid waste is free from hazardous waste contamination
- Solid waste collection areas are secured and protected
- The factory treats/disposes/recycles solid waste properly and documents the final destination of all solid waste

5. Water Consumption:

- Appropriate permits for water use/extraction required by local & national regulations have been obtained
- Data regarding water use consumption (e.g. water consumption data from water bills and meter readings) is recorded and maintained regularly

6. Wastewater Management:

- Appropriate permits for wastewater/effluents treatment and discharge as required by local and national regulations have been obtained
- Wastewater/effluent discharge limits required by local & national regulations are strictly complied with
- Appropriate procedures are in place to take immediate corrective actions in the event that discharge limits are exceeded
- Monitoring of wastewater discharges is undertaken as required by local and national regulations including sampling for analysis from point of discharge (or as instructed by permit requirements)
- Results of wastewater monitoring confirms the discharge meets permit/authorization parameters
- Wastewater monitoring records are kept on-site for review by outside personnel upon request
- Sanitary wastewater is appropriately either treated on site or discharged to an offsite treatment center (Publicly Owned Treatment Works, local municipality, etc.)
- If applicable, a drainage system is in place to convey wastewater to treatment and/or discharge points
- If applicable, on-site wastewater treatment plant is maintained in safe operating conditions to avoid any risks to environment and/or human health
- Drains are regularly cleaned and maintained
- Drainage layout must be made available upon request
- Wastewater personnel understand the processes, equipment and testing required to operate the on-site treatment plant correctly
- Rainwater is discharged to a location other than the treatment plant or is added at a time during the process that does not negatively interfere with the treatment process

7. Land Use and Biodiversity:

- The organization conducts an Environmental Impact Assessment and submits the results to competent authority for review and approval as required by local and national regulations
- Appropriate permits for land use and facilities construction required by local & national regulations are obtained
- All applicable local and national regulations regarding protected land are met

8. Noise Pollution:

- Appropriate permits for noise pollution as required by local and national regulations are obtained
- Noise pollution assessments as required by local and national regulations are performed
- Regular noise pollution monitoring as required by local and national regulations is conducted
- Noise pollution limits as required by local and national regulations are strictly complied with
- Immediate corrective actions are taken in the event noise pollution limits are exceeded

9. Raw Materials:

- Inventory records and production records demonstrating origin of incoming materials and traceability and place of product are maintained
- The organization must demonstrate through chain of custody documents (certifications) that raw materials (cotton, wood, etc.) were obtained from legal harvests consistent with international treaties and protocols in addition to local laws and regulations even if national regulations do not regulate harvests.

10. Hazardous Waste Management:

- Neither chemicals listed on the Restricted Substances List nor chemicals banned by local and national regulations are utilized in the production process
- Appropriate permits for hazardous substances handling and storage as required by local and national regulations have been obtained
- The organization has verified the existence of sensitive receptors (e.g. rivers, underground water, etc.) close to production facilities

- Effective procedures are in place to prevent contamination of people and the environment

IV. VERIFICATION METHODS

1. Amerex Group, LLC holds its factories accountable that the merchandise produced for it is manufactured in compliance with this Code of Conduct.
2. Amerex expects its factories to monitor their compliance to this Code of Conduct. Amerex will utilize, where appropriate, internal as well as third party monitors to conduct on-site evaluations and inspections of its factories' facilities, as well as those of its subcontractors.
3. Amerex will use the following methods to evaluate its suppliers and their facilities:
 - Amerex representatives shall conduct pre-production evaluation of supplier facilities as well as any subcontractor's facilities.
 - Amerex representatives shall conduct unannounced (without notice) and unaccompanied inspections to supplier and subcontractor facilities for the purpose of auditing compliance to this Code of Conduct. Such Inspections may be conducted by Amerex representatives or by third parties retained by Amerex. Inspections may include, but will not be limited to the following:
 - The ability to conduct interviews with employees, on or off-site, without fear of repercussion from employers.
 - Inspections of employee files, including time cards and wage statements.