



## Code of conduct for suppliers

- 1. Forced Labor**

The use of forced, bonded, prison, indentured or compulsory labor in the production or manufacture of Baerlocher products is prohibited. This includes modern forms of slavery, human trafficking, compulsory overtime or withholding personal papers, work permits, personal identification, or compensation.
- 2. Child Labor**

The use of child labor is prohibited. No person shall be employed in a factory that produces or manufactures any Baerlocher product at an age younger than sixteen, or younger than the age for completing compulsory education in the country of manufacture where such age is higher.
- 3. Human Trafficking**

Suppliers shall not support or engage in human trafficking. Workers must be able to travel as freely as allowed by law. Suppliers may not physically prevent or delay workers from leaving the facility or its grounds except for a reasonable safety reason. Suppliers must allow workers to leave the factory under any reasonable circumstance without disciplinary penalty. Examples of reasonable circumstances include personal or family emergencies. Workers must be allowed to maintain control of their identity documents. Suppliers shall certify that they have implemented procedures to manage the materials and processes incorporated into their products to ensure these materials and processes comply with all applicable laws on slavery and human trafficking. Baerlocher may immediately terminate its relationship with any supplier who violates the prohibition on human trafficking when sourcing merchandise for Baerlocher.
- 4. Working Hours and Compensation**

Facilities must comply with all applicable national and local wage and hour laws, including minimum wage laws, or shall be consistent with the prevailing industry wage standards, if higher. Employee benefits shall be provided in accordance with national and local requirements. Normal working hours should not exceed forty-eight (48) hours/week with one day off in every seven-day period. Overtime work in necessary business circumstances shall be conducted in such a way as to adequately compensate workers for all work performed beyond the normal working hour standard.
- 5. Health and Safety**

Facilities shall ensure that all employees have a healthy and safe environment, including in dormitories, where provided. Baerlocher expects all Facilities to promote an awareness of health and safety issues to their employees including issues surrounding fire prevention, emergency evacuation, proper use of safety equipment, basic first-aid and the proper use and disposal of hazardous waste materials.
- 6. Abuse and Discrimination**

Facility employees shall be treated with dignity and respect. No employee shall be subject to abuse, cruel or unusual disciplinary practices or discrimination in employment or hiring on the grounds of race, religion, origin, political affiliation, sexual preference, age or gender.
- 7. Acceptance of Advantages**

Baerlocher will not tolerate Facilities who do not conduct business in an ethical and proper manner or who use bribes, kickbacks or provide gifts, favors, or services to gain a competitive advantage with Baerlocher.
- 8. Corruption and Bribery**

The supplier has and maintains an anti-corruption policy. The policy includes aspects connected to the Suppliers' business relations with Baerlocher and clearly states that bribery and corruption are unacceptable.
- 9. Freedom of Association and Collective Bargaining**

Baerlocher recognizes all employees' right to choose [or not] to affiliate with legally sanctioned organizations or associations and to bargain collectively without unlawful interference.
- 10. Environmental Impact**

Baerlocher maintains a commitment to sound environmental programs and practices and encourages the reduction and recycling of waste. Facilities must comply with all applicable laws relating to the environment and dispose of toxic materials in a controlled and safe manner. To that end, Baerlocher seeks to conduct business with Facilities who are equally dedicated to pursuing continuous efforts to improve the compatibility of its operations with the environment.
- 11. Monitoring and Right to Terminate**

Baerlocher shall have the right to conduct periodic on-site visits of working and living conditions, including unannounced audits of production records and practices and of wage, hour and payroll information maintained by Facilities, to review and ensure compliance with the Principles. Baerlocher retains the right, in its sole discretion, to terminate its relationship with a vendor, supplier or licensee facility in violation of the Principles; however, Baerlocher will endeavor to work with Facilities to promptly address any problems discovered in the course of its review or audit. Baerlocher will require the implementation of an acceptable written corrective action plan for any problems found during an audit. Failure to address items in the corrective action plan may result in termination of the business relationship.
- 12. Compliance with Applicable Laws**

Facilities will comply with the national laws of the country in which they are conducting business, any local laws, regulations or standards applicable to their business and the industry standards which have been established in their location. Provided, however, in the event of any conflict between the provisions of any of the preceding laws, regulations, or standards and the provisions of this document, then the provision containing the higher standards shall prevail.
- 13. Communication of Principles**

Facilities will communicate these Principles to employees in an appropriate oral and written fashion and will undertake efforts to educate employees about these Principles on a periodic basis.
- 14. Certification**

Baerlocher will require a written statement from Facilities of compliance with these Principles.