



## **Global Compliance**

### **Code of Vendor Conduct**

This Code of Vendor Conduct applies to all factories that produce goods for Color Image Apparel Inc. or any of its subsidiaries, divisions or affiliates.

While Color Image Apparel Inc. recognizes that there are different legal or cultural environments in which factories operate throughout the world, this Code sets forth the basic requirements all factories must meet in order to do business with Color Image. The Code also provides the foundations for Color Image's ongoing evaluation of a factory's employment practices and environmental compliance.

#### **I. General Principle**

Factories that produce goods for Color Image shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules, and regulations.

The factory operates in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.

The factory allows Color Image 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.

#### **II. Environment**

Factories must comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Color Image's own, factories are encouraged to meet the standards outlined in Color Image's statement of environmental principles.

The factory has an environmental management system or plan.

The factory has procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.

#### **III. Discrimination**

Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

The factory employs workers without regard to race, color, gender, nationality, religion, age, maternity or marital status.

The factory pays workers wages and provides benefits without regard to race, color, gender, nationality, religion, age, maternity or marital status.

#### **IV. Forced Labor**

Factories shall not use any prison, indentured or forced labor.

The factory does not use involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments.

If the factory recruits foreign contract workers, the factory pays agency recruitment commissions and does not require any worker to remain in employment for any period of time against his or her will.

#### **V. Child Labor**

Factories shall employ only workers who meet the applicable minimum legal age requirements or are at least 16 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Color Image's minimum age standard of 16 and the minimum legal age requirement.

Every worker employed by the factory is at least 16 years of age and meets the applicable minimum legal age requirement.

The factory complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.

The factory encourages and allows eligible workers, especially younger workers, to attend night classes and participate in work-study programs and other government-sponsored educational programs.

The factory maintains official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the factory confirms age using an appropriate and reliable assessment method.

#### **VI. Wages & Hours**

Factories shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.

Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater.

The factory 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 higher than the rates for the regular work shift.

The factory does not require, on a regularly scheduled basis, a work week in excess of 60 hours.

Workers may refuse overtime without any threat of penalty, punishment or dismissal.

Workers have at least one day off in seven.

The factory provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.

For each pay period, the factory provides workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.

## **VII. Working Conditions**

Factories must treat all workers with respect and dignity and provide them with a safe and healthy environment. Factories shall comply with all applicable laws and regulations regarding working conditions. Factories shall not use corporal punishment or any other form of physical or psychological coercion. Factories must be sufficiently lighted and ventilated, aisles accessible, machinery maintained, and hazardous materials sensibly stored and disposed of. Factories providing housing for their workers must keep these facilities clean and safe.

### **Factory:**

The factory does not engage in or permit physical acts to punish or coerce workers.

The factory does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats or violence, sexual harassment, screaming or other verbal abuse.

The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.

Work surface lighting in production areas- such as sewing, knitting, pressing, and cutting – is sufficient for the safe performance of production activities.

The factory is well ventilated. There are windows, fans, air conditioning or heaters in all work areas for adequate circulation, ventilation and temperature control.

There are sufficient, clearly marked exits allowing for the 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.

Aisles, exits and stairwells are kept clear at all times of work in process, finished garments, bolts of fabric, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The factory indicates with a “yellow box” or other markings that the areas in front of exits, fire fighting equipment, control panels and potential fire sources are to be kept clear.

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.

Fire extinguishers are appropriate to the types of possible fires in the various areas of the factory, are regularly maintained and charged, display the date of their last inspection, and are mounted on walls and columns throughout the factory so they are visible and accessible to workers in all areas.

Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.

Evacuation drills are conducted at least annually.

Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.

Appropriate personal protective equipment- such as masks, gloves, goggles, ear plugs and rubber boots- is made available at no cost to all workers and instruction in its use is provided.

The factory provides potable water for all workers and allows reasonable access to it throughout the working day.

The factory places at least one well-stocked first aid kit on every factory floor and trains specific staff in basic first aid. The factory has procedures for dealing with serious injuries that require medical treatment outside the factory.

The factory maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use.

The factory stores hazardous and combustible materials in secure and ventilated areas and disposes of them in a safe and legal manner.

**Housing:**

Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical and structural safety.

Sleeping quarters are segregated by sex.

The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.

Workers are provided their own individual mats or beds.

Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditioners and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.

Workers are provided their own storage space for their clothes and personal possessions.

There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exit.

Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.

Fire extinguishers are placed in or accessible to all sleeping quarters.

Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.

Fire drills are conducted at least every six months.

Sleeping quarters have adequate lighting.

Sufficient toilets and showers are segregated by sex and provided in safe, sanitary, accessible and private areas.

Potable water or facilities to boil water are available to dormitory residents.

Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort.

**VIII. Freedom of Association**

Workers are free to join associations of their own choosing. Factories must 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 on the worker.

Workers are free to choose whether or not to lawfully organize and join associations.

The factory does not threaten, penalize, restrict or interfere with workers' lawful efforts to join associations of their choosing.

#### Monitoring and Enforcement

As a condition of doing business with Color Image Apparel Inc, each and every factory must comply with this Code of Vendor Conduct. Color Image will continue to develop monitoring systems to assess and ensure compliance. If Color Image determines that any factory has violated this Code, Color Image may either terminate its business relationship or require the factory to implement a corrective action plan. If corrective action is advised but not taken, Color Image will suspend placement of future orders and may terminate current production.

Global Compliance

Vendor Manual, Color Image Apparel Inc., June 2007