



BUSINESS PARTNER GUIDELINES – Version 5

As a global sourcing company, Livingstone International Ltd (LI) will only source products from vendors and suppliers that share the company's adherence to high legal, ethical and moral standards. Our aim is to create and encourage the creation of model operations that provide good jobs at fair wages and also improve conditions in the communities that our business partners operate.

All vendors, suppliers and business partners are expected to comply with LI Operating Principles and to assure compliance in all contracting, subcontracting or other relationships. In establishing these principles, LI is effectively exercising its economic leverage with business partners to encourage their full compliance with laws designed to protect their employees and support the highest standards of business conduct.

These operating principles have been developed to ensure consistent compliance by all business partners. LI recognise that the operating principles will also assist our management teams in selecting business partners that follow work place standards and practices consistent with own business standards.

Business Partner Guidelines

No Child Labour

LI will not do business with vendors and suppliers that use child labour. LI will not use vendors and suppliers who employ people in violation of local mandatory school age or under the legal employment age in each country. If LI deems that the work being done is inappropriate, or poses possible risk to employees at the legal minimum employment age, it reserves the right to establish its own minimum age limit for vendors and suppliers on a country by country basis. Under no circumstances will the minimum age be under 15. Children and young persons under the age of 18 shall not be employed at night or in hazardous conditions. The policies and procedures shall conform to the relevant International Labour Organisation (ILO) policies. LI supports the development of legitimate workplace apprenticeship programs for the educational benefits of younger people.

Employment Is Freely Chosen

There shall be no forced, bonded or involuntary prison labour. Workers must not be required to lodge 'deposits' or their identity papers on commencement of employment. Workers must be free to leave their employer after reasonable notice.

Freedom Of Association And Employee Representation

Suppliers should respect the rights of employees to join or form an association of their choosing (such as workers council, union, or workers association). Where the right to freedom of association and collective bargaining is restricted by law, the employer should facilitate, and not hinder, the development of parallel means for independent and free association and bargaining. Representatives must not be discriminated against and have access to carry out their representative function in the workplace.

No Discrimination

While LI recognises and respects cultural differences, the company believes that there should be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, nationality, religion, age, disability, gender, marital status, sexual orientation, union or political membership. In-country laws, however, will take precedent over company policies and directions.

Wages And Benefits Of Employment

Wages and benefits paid for a standard working week must meet, as a minimum, national legal requirements or industry benchmark standards, whichever is higher. Wages should cover the need to meet both basic needs and some discretionary income. All workers should be provided with written and understandable information about their employment conditions and wages before employment and provided with wage slips for each period they are paid. Deductions from wages as a disciplinary measure is not permitted other than those required by law. Any such deductions must not be taken without the expressed permission of the worker concerned.

Hours Of Work And Regular Employment

All factories must adhere to relevant national laws with regards to maximum working hours as standard.

To every extent possible work performed should be on the basis of a recognized employment relationship. Obligations to employees under labour or social security laws and regulations should not be avoided through the use of home working schemes, subcontracting or apprenticeships where there is no intent to provide regular employment. The conditions for the termination of a contract should be laid out before employment commences and conform to established and transparent company practices and local law.

Discipline

Employee abuse in physical, sexual or verbal form of intimidation is not acceptable and prohibited.

Health And Safety

A safe, clean and hygienic environment should be provided, taking into account the specific hazards of the industry. Adequate steps should be taken to prevent accidents and injury to health at work. Workers should receive regular and recorded health and safety training. All workers should have access to clean toilet facilities and drinking water. Where provided accommodation should be clean, safe and meet the basic needs of workers. A senior manager should be appointed as the Health and Safety representative for the company.

Environment

LI will only use those vendors and suppliers who share the company's commitment to the community and to the environment. They must conform to all legal requirements regarding environmental codes and guidelines. Furthermore, LI will seek business partners who demonstrate a commitment to progressive environmental practices and to protecting the earth's resources.

All products supplied must conform to all European Union environmental legislation.

Customs Compliance

Facilities will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal trans-shipment of finished products.

Security

Facilities will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (i.e. drugs, explosive biohazards and/or other contraband).

Right Of Inspection

LI will assure proper implementation of and compliance with standards set forth in these Guidelines by implementing affirmative measures such as on-site inspection of vendors' and suppliers' facilities.

Animal Testing

LI and its business partners do not condone the testing on Animals at any stage of manufacturing for its products or packaging.

Anti-Corruption

No employee of LI or any of its approved business partners may, directly or indirectly through one or more intermediaries, give, offer or agree to give or offer, a bribe or kickback to any person. Prohibited payments include the payment of anything of value (in the form of money, gifts, loans, rewards, travel or business opportunities, advantage or benefit of any kind) to or for the benefit of any foreign official, domestic official or person doing business in the private sector for the purpose of inducing or rewarding favourable action (or withholding of action) or the exercise of influence by such individual.

REACH Policy

REACH is a European Union regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals. It came into force on 1st June 2007 and replaced a number of European Directives and Regulations with a single system. Hazardous chemicals are defined as Substances of Very High Concern (SVHC's).

<http://echa.europa.eu/candidate-list-table>

While our products do not currently fall within the scope of REACH's registration requirement and do not contain any chemicals defined as SVHC's or Azo-Dyes, we continue to monitor the EU regulation for changes that may require our attention.

LI is fully supportive of the various industry efforts throughout the world to phase out the use of undesirable elements from manufacturing processes. LI remains committed to continually reducing its impact on the world's natural environment, and we work closely with our customers and suppliers to identify and rapidly eliminate hazardous substances from our products.

Cotton Pledge

We are aware of reports documenting the use of forced child and adult labour in the harvesting of cotton from Uzbekistan. We firmly oppose the use of forced labour of any kind in the sourcing of our raw materials. Until the situation changes and is verified by the International Labor Organisation (ILO) we commit to not sourcing any cotton for the manufacturing of our products from Uzbekistan.

For and on behalf of Livingstone International Ltd:

Peter Stone

Business Development Manager

