

## Vendor Standards

CBI requires its vendors to conform to the following standards, and hereby reserves the right to make periodic, unannounced inspections of the vendor's facilities to satisfy itself of supplier's compliance with these standards:

### A. Compliance with Applicable Laws

All vendors shall comply with the contract provisions, and all applicable laws, rules and regulations of their industry including, without limitation, customs regulations, hazardous materials laws and regulations, import/export laws, trademark registration laws, labor, worker health and safety, slavery and human trafficking, and tax laws, foreign corrupt practices laws and laws prohibiting deceptive trade practices. Should the legal requirements and the standards of the vendor's industry conflict, vendors must, at a minimum, be in compliance with the legal requirements of the country in which the products are manufactured. If, however, the industry standards exceed the country's legal requirements, CBI will favor vendors who meet such industry standards. Vendor warrants to CBI that no merchandise sold to CBI infringes the patents, trademarks, copyrights or intellectual property rights of others and vendor shall provide to CBI all necessary licenses or authorizations for selling merchandise under license from a third party.

### B. Compensation

Vendors shall comply with applicable laws regarding minimum wage, working hours, employee benefits and overtime. Factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions. Vendors are encouraged to provide wages and benefits that are sufficient to meet workers basic needs and provide some discretionary income for workers and their families.

### C. Forced Labor/Prison Labor

Vendors shall maintain employment on a voluntary basis. CBI will not accept products from vendors who utilize in any manner forced labor or prison labor in the manufacture or in their contracting, subcontracting or other relationships for the manufacture of their products. Forced labor is considered to include any work or service that is extracted from any person under the threat of penalty for non-performance or for which the worker does not offer himself or herself.

### D. Child Labor

CBI will not tolerate the use of child labor in the manufacture of products it sells. CBI will not accept products from vendors that utilize in any manner child labor in their contracting, subcontracting or other relationships for the manufacture of their products.

No person shall be employed at an age younger than 15 or younger than the age for completing compulsory education in the country of manufacture, whichever is greater. Employers must comply with all applicable local legal requirements for young workers under the age of 18, particularly those pertaining to hours of work, wages, health, safety and general working conditions. Employers should maintain official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm date of birth, the employer should confirm age using an appropriate and reliable assessment method.

#### **E. Discrimination/Human Rights**

CBI recognizes and respects that cultural differences exist and different standards apply in various countries. Nonetheless, CBI expects that its vendors will not discriminate based on race, origin, religion, disability, gender, sexual orientation, union or political affiliation or age.

#### **F. Conflict Minerals**

CBI supports ending the human rights abuses in the mining of certain minerals from a location described as the Conflict Region which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. Conflict Minerals refer to gold, tin, tantalum and tungsten, the derivatives of cassiterite, columbite-tantalite and wolframite regardless of where they are sourced, processed or sold. Vendors shall not knowingly procure Conflict Minerals that originate from facilities in the Conflict Region. Vendors shall undertake reasonable due diligence with their supply chains to assure that Conflict Minerals are being sourced from mines and smelters outside the Conflict Region

#### **G. Workplace Environment**

Vendor shall provide employees with safe and healthy work environments. Factories dealing with CBI merchandise shall provide adequate medical facilities, fire exits and safety equipment, adequate lighting and ventilation and clean restrooms. Worker housing, when provided by the vendor, shall meet reasonable standards for health and safety. Factories shall treat all workers with respect and dignity. Factories shall not use corporal punishment or another form of physical or psychological coercion.

#### **H. Concern for the Environment**

Vendors must adhere to all applicable environmental laws and regulations regarding protection and preservation of the environment in their country and should encourage and support initiatives to promote greater environmental responsibility in their industries.

## I. Right of Inspection

To further assure proper implementation of and compliance with the standards set forth herein, factories will allow CBI 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, to implement and monitor said standards. For any vendor who fails or refuses to comply with these standards, CBI may (i) immediately cancel any and all outstanding orders with such vendor, (ii) refuse or return any shipment from such vendor, and (iii) cease doing business with any such vendor.

## J. Confidentiality

Vendors shall not at any time, during or after the period of the business relationship with CBI, disclose to others and will not take or use for its own purposes or the purpose of others any trade secrets, confidential information, knowledge, designs, data, know-how, or any other information considered logically as "confidential." Vendor recognizes that this obligation applies not only to technical information, designs and marketing, but also to any business information that CBI treats as confidential. Any information that is not readily available to the public shall be considered to be a trade secret and confidential. Upon the termination of the business relationship with CBI, for any cause, vendor shall return all items belonging to CBI and all copies of documents containing CBI's trade secrets, confidential information, knowledge, data or know-how in vendor's possession or under vendor's control.

## K. CBI Gift and Gratuity Policy

CBI has a very strict policy which forbids and prohibits the solicitation, offering or acceptance of any gifts, gratuities or any form of "pay off" or facilitation fee as a condition of doing business with CBI; as a form of gratitude, or as an attempt to gain favor or accept merchandise or services at a lesser degree than what was agreed. CBI believes in delivering and receiving only the total quantity agreed. Any vendor, factory or manufacturer who violates such policy by offering or accepting any form of a gift or gratuity to any associate, employee, agent or affiliate of CBI will be subject to all loss of existing and future business, regardless of whether the gift or gratuity was accepted. In addition, a vendor, factory or manufacturer who violates such policy will be reported to the appropriate governmental authorities of the vendor's respective and affiliated countries. Failure to report such information will result in severe action against such vendor, trading company or factory including but not limited to termination of all existing and future business relationships and monetary damages.

Vendors should take appropriate steps to ensure that the provisions of these Vendor Standards are communicated to their employees and their own supply chain. Vendors are also encouraged to ensure that the principles referred to above are adopted and applied by their employees, suppliers, agents and contractors so far as reasonably possible.

Vendor will comply with the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act (copies of which can be found at [www.legislation.gov.uk](http://www.legislation.gov.uk) and [www.usdoj.gov/criminal/fraud/fcpa.html](http://www.usdoj.gov/criminal/fraud/fcpa.html), respectively), and any comparable law or regulation in the country, as well as any international conventions that outlaw bribery and corrupt practices (including for example the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions).