



Standards of Manufacturing Practices

Introduction

Chums' Standards of Manufacturing Practices document defines standards for fair, safe, and healthy working conditions and environmental responsibility throughout the manufacturing supply chain. The code meets or exceeds the Fair Labor Association's and the International Labor Organization's standards. Chums' suppliers commit to adhering to the standards outlined in this document. Standards equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers. Chums expects its suppliers to be committed to continuous improvement and to constantly strive to make forward progress on their sustainability journey. All suppliers must agree to announced and unannounced assessments by Chums. Suppliers are expected to make improvements when any of the standards in this document are not met, and to develop sustainable management, reporting, and tracking systems within their factory, to ensure ongoing compliance. Chums seeks at all times to exercise the best possible practices for the respectful and ethical treatment of workers and to promote sustainable conditions in which workers earn fair wages in safe and healthy workplaces. For more information on Chums' sustainability and social impact efforts, please visit chums.com/sustainability.

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1. LAW AND CODE COMPLIANCE

Suppliers will obey

- a. All relevant and applicable laws and regulations of the country in which workers are employed including those at the federal, state/provincial and local community levels
- b. Chums' Standard of Manufacturing Practices

2. CHILD LABOR

No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. Juvenile workers (ages 15-17) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety or morals. (ILO Convention 138 and 182)

3. FORCED LABOR

There shall be no use of forced labor, including prison, indentured, bonded, slave or other forms of forced labor. Acts of human trafficking are also prohibited. Suppliers are required to monitor any third party entity which assists them in recruiting or hiring employees, to ensure that people seeking employment at their facility are not compelled to work through force, deception, intimidation, coercion or as a punishment for holding or expressing political views. (ILO Conventions 29, 105, 182)

4. HARASSMENT, ABUSE AND DISCIPLINARY PRACTICES

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse or to monetary fines or embarrassing acts as a disciplinary measure.

5. DISCRIMINATION

No person shall be subject to any discrimination in any aspect of the employment, relationship including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline, termination or retirement, on the basis of race, religious belief, color, gender, pregnancy, childbirth or related medical conditions, age, national origin, ancestry, sexual orientation, gender identification, physical or mental disability, medical condition, illness, genetic characteristics, family care, marital status, status as a veteran or qualified disabled veteran (in the USA only), caste, socio-economic situation, political opinion, union affiliation, ethnic group, illness any other classification protected under applicable law. All employment decisions must be made based on the principle of equal employment opportunity, and shall include effective mechanisms to protect migrant, temporary or seasonal workers against any form of discrimination. (ILO Conventions 100 and 111)

6. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Workers must be free to join organizations of their own choice. Suppliers shall recognize and respect the right of employees to freedom of association and collective bargaining. All suppliers must develop and fully implement effective grievance mechanisms which resolve internal industrial disputes, employee complaints, and ensure effective, respectful and transparent communication between employees, their representatives and management. (ILO Conventions 87, 98 and 135)

7. EMPLOYMENT RELATIONSHIP

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

8. WAGES AND BENEFITS

Employers will meet all legal requirements for wages and benefits in the country in which they are conducting business, or local industry standards, whichever are higher (ILO Conventions 26 and 131)

9. OVERTIME WAGES

In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125%. (ILO Convention 1 and 30)

10. HOURS OF WORK

Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours or the maximum allowed by the law of the country of manufacture, whichever is less (except under exceptional unforeseen circumstances). Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime hours on a regular basis. The sum of regular and overtime hours in a week shall not

exceed 60 hours or the maximum allowed by the law of the country of manufacture, whichever is less. (ILO Convention 1)

11. HEALTH AND SAFETY

Suppliers shall provide a safe and healthy workplace to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. The employer shall take a proactive approach to health and safety by implementing policies, systems and training designed to prevent accidents, injuries and protect worker health. (ILO Convention 155)

12. ENVIRONMENT

Suppliers will comply with all applicable environmental laws and regulations and adopt credible, proactive measures to mitigate negative impacts on human health and the environment. Suppliers are encouraged to maintain and implement a written environmental policy which includes systems and procedures to eliminate or minimize negative impacts of its practices on the environment.

13. COMMUNITY

Suppliers are encouraged to help foster social and economic development and to contribute to the sustainability of the communities in which it operates.

14. DOCUMENTATION AND INSPECTION

Suppliers must provide Chums representatives with unrestricted access, without advance notice, to all factory premises and employees as well as to all documents relevant in determining whether it is in compliance with these Standards and all applicable laws and regulations. Suppliers must post these standards in a conspicuous place frequented by all employees in the local languages spoken by employees, supervisors and managers.

15. QUALITY

Quality is the result of clarity, capable and well-integrated systems, and good communication. To achieve this, factories must have a clearly documented quality system and quality improvement plan. That system must include reliable "in process" and final finished goods audits and procedures that meet Chums' quality standards. These audits must be performed by a trained QA staff person provided by the factory or designated by Chums. The QA staff person must be granted the autonomy and support he/she needs in order to provide an unbiased report on the quality of every shipment of finished goods.

CONTACT US: If you are aware of a supplier that is violating any of the standards set forth in this document, please email contact@chums.com to report it. Please feel free to write in your local language. All information we receive will be kept in strict confidence and your identity will be protected.

THIS CODE OF CONDUCT MUST BE POSTED WITHIN THE FACTORY IN A CONSPICUOUS, FREELY ACCESSIBLE AREA IN THE LOCAL LANGUAGE(S) OF THE EMPLOYEES.