



# **DAYSRING SUPPLIER CODE OF CONDUCT**

At DaySpring we conduct our business in a socially responsible and ethical manner. We respect the law, support human rights, protect the environment and strive to benefit the communities where we conduct business.

This Code of Conduct clearly sets out the minimum standards we require for those that manufacture products for us or under our brands, including our suppliers, licensees and those who make branded components and materials.

We follow this Code of Conduct for our own business and we expect you to conduct your operations in an ethical manner that treats your employees as valuable parts of your business and demonstrates careful stewardship of the environment. Failure to do so not only violates our standards, but presents a serious risk to our reputation with our consumers that we work hard to uphold.

By doing business with us, you are agreeing to comply with this Code of Conduct, and to be subject to our inspection rights that help ensure compliance. All references to a “Code of Conduct” or “Supplier Code of Conduct” in purchase orders, trademark or copyright licenses, manufacturer’s agreements, or any other contract with DaySpring Cards, Incorporated or its subsidiaries or affiliates (“we” or “our”) shall refer to this Code, as it may be revised at our sole discretion from time to time. The most current copy of our Code of Conduct is available at [www.DaySpring.com/codeofconduct](http://www.DaySpring.com/codeofconduct).

Our Code of Conduct allows us to appropriately select new suppliers, licensees and locations for procurement, as well as identify and resolve potential problems as they arise. It contains three elements:

- Workplace Standards and Practices
- Audit and Improvement Program
- Sourcing Guidelines

## **Workplace Standards and Practices**

We expect our suppliers, licensees, branded material suppliers and their subcontractors to operate their facilities and conduct employee relations in an ethical manner and to meet the requirements stipulated by law in their respective host countries. This includes, but is not limited to, laws and regulations relating to labor, compensation, work hours, health and safety, and the environment. Other specific guidelines are as follows:



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## **Employment is Freely Chosen**

- All employment must be strictly voluntary. Employers will never use involuntary or forced labor whether in the form of prison labor, indentured labor, bonded labor, or otherwise. Employers must not permit human trafficking or slave labor in the supply of materials, products or services.
- Employers, and the recruitment and agency labor firms they utilize, will never hold male or female employees' identity or travel documents (such as passports, identification cards, birth certificates, work VISAs etc.), require employees to make deposits, surrender land titles or their valuables, or charge them fees related to employment (for example, interview, testing and application fees, travel fees, documentation fees, etc.). Any cost related to workers' employment must be absorbed by the employer.
- Where required by law, labor contracts in the employee's native language will be provided and will clearly define the conditions of employment. If employees cannot read, terms and conditions must be explained to them.
- Migrant men and women shall have exactly the same entitlements as local employees.
- Women and men shall not be required to live in dormitories or supplier-owned housing.
- The movements of men and women, when not working, will not be restricted. Dormitories will not have curfews or unreasonable security policies.

## **Child Labor**

- Child labor is strictly prohibited. We prefer that no worker be under the age of 16. Under no circumstances will we accept employment of children under the age of 15.
- Employers are prohibited from hiring women and men below the age for completing compulsory education or the legal minimum working age as defined by local or regional regulation.

## **Young Workers**

- Young workers are defined as all men and women who meet the requirements of this code to be employed and who are under the age of 18. Young workers are a particularly vulnerable population and we require extra protections.
- Young workers will not be permitted to work night hours. Night hours are defined as 10 pm to 7 am (or an alternative period of not less than seven consecutive hours as defined by the competent authority).
- Young persons should not engage in work that could compromise their health, safety, moral integrity, or development.



# **DAYSRING SUPPLIER CODE OF CONDUCT**

## **Freedom of Association**

- Factories must respect the right of women and men to freely associate and should not interfere with the legal exercise of the right of free association.
- Suppliers shall allow forms of independent workers' representation and these representatives shall be protected from retaliation.
- Men and women should have access to an anonymous, unbiased grievance mechanism to raise concerns. They should be allowed to express grievances without limitation or retaliation.

## **Discrimination**

- Employment decisions are made based on merit, considering qualifications, skills and accomplishments. The employer shall not engage in or support discrimination; which constitutes unjust or prejudicial treatment in employment practices to include hiring, compensation, access to training, promotion, termination or retirement for any reason.
- Women and men shall be given equal opportunity in all aspects of training and personal and professional development.
- Employers shall not require pregnancy tests nor dismiss employees due to pregnancy or child birth.

## **Harassment and Abuse**

- Corporal punishment and physical or mental coercion are prohibited
- Every man and woman shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.
- No woman or man shall be subjected to sexual harassment, including unwelcome sexual advances, unwanted touching, lewd or suggestive remarks, or requests for sexual favors. Men and women shall be free from exposure to indecent pictures, posters, drawings or videos.
- Forced contraception is not allowed.

## **Health & Safety**

- Employers must provide a safe and healthy work environment including proper lighting, temperature, ventilation, and access to potable water. The workplace shall be free of unreasonable hazards, including those that endanger women's reproductive health and women who are pregnant or lactating.
- Women and men should have access to adequate medical assistance and facilities.
- Suppliers shall provide regular and recorded health and safety training to workers and management, including training related to exposures that could endanger women's reproductive health, pregnancy, or lactation.



## **DAYSRING SUPPLIER CODE OF CONDUCT**

- Where personal protective equipment is required for work, it must be in good condition and provided without charge to women and men.
- Fire prevention equipment must be accessible (in factory and dormitory facilities), and employers are responsible for conducting fire prevention, evacuation training and simulations.
- Dormitory housing should provide clean and adequate space for men and women with sanitary facilities and water supply.
- Restrooms must ensure privacy, be accessible to all, and be adequate for the population. Restrooms should be clean and available for all women and men.

### **Compensation**

- Suppliers will not pay less than the minimum wage (including trainees) in accordance with local labor laws or the prevailing market rate, whichever is higher. Men and women will be fairly compensated to a similar standard for overtime work.
- Women and men shall receive equal compensation for work of equal value.
- Room and board, transportation, and other benefits will not be deducted from cash compensation in meeting or exceeding local salary standards. Other benefits, including sick leave, and maternity leave, must meet or exceed local laws and standards.
- Wages must be paid in accordance with local laws, and a detailed time slip must be provided to the male and female workers in a language they understand.

### **Work Hours**

- All overtime, as defined by local regulations or practice, will be strictly voluntary and will be duly compensated.
- Men and women will not be punished for refusing overtime.
- As a normal practice, the maximum number of working hours, including overtime, must not exceed 60 hours per week. Local government regulations will be followed if they require fewer than 60 hours per week.
- As a normal practice, men and women should receive a minimum of one day off in seven days.

### **Environment**

- All local laws and regulations must be met and operations conducted in a manner that conserves resources.
- All waste materials and production by-products should be disposed of properly and in an environmentally responsible manner.



# **DAYSPRING SUPPLIER CODE OF CONDUCT**

## **Subcontracting and Homeworking**

- We do not allow the use of subcontracting without prior written permission. Subcontracting occurs when you engage another factory location to produce the products you have been authorized to produce.
- Home working for DaySpring product and licensed product is strictly prohibited.

## **Audit and Improvement Program**

We require compliance with this Code of Conduct as a condition of doing business with us. We expect our suppliers to maintain management systems adequate to support compliance, and to support transparency with regard to their Code of Conduct obligations, including the keeping of accurate books and records and openness to dialogue with us to identify and address potential areas of concern.

We may require an approved audit prior to placing a purchase order or allowing the manufacture of products and may require new audits annually to ensure continued compliance, both at your cost. We may accept previously conducted audits at our discretion. These audits must be conducted in accordance with an internationally recognized standard, such as SMETA, and by a recognized, third party audit body. Third party audits must be dated within the last 6 months and should be semi-announced or unannounced. We may require corrective actions as a condition of acceptance of an audit or as a requirement for future production. Specific audit and improvement requirements may vary based on the DaySpring brand you are doing business with and whether you are a direct supplier, licensee, or branded material supplier.

We require open and free access to supplier and licensee factories and their subcontractors and branded material suppliers. We may conduct announced, semi-announced, or unannounced audits to inspect working conditions, review books and records (including labor agency records), and conduct private interviews with employees. We may conduct such audits ourselves or through recognized a third party audit body. Failure to comply with audit requests or a lack of transparency will be considered a breach our Code of Conduct.

In addition to the audits mentioned above, we may accept certification through participation in the ICTI Ethical Toy Program ([www.ethicaltoyprogram.org](http://www.ethicaltoyprogram.org)) as verification of compliance with our Code of Conduct. Crayola requires engagement in the ICTI Ethical Toy Program if you are a direct supplier.

Our Code of Conduct is applied separately to each factory location, even if the factories are under common ownership. Approval of one factory location does not allow the production of DaySpring branded products at another location that has not been approved.

We may provide specific rules for the use of third party factories to product branded materials (materials or components of the finished product that carry a DaySpring brand).



# **DAYSRING SUPPLIER CODE OF CONDUCT**

The following may provide the basis to revoke an approval granted to a facility or constitute a breach of a purchase order or license agreement with us:

- Manufacturing at a factory location without prior Code of Conduct approval
- An audit showing material violations of our Code of Conduct
- Unauthorized subcontracting or homeworking
- Failure to create a corrective action plan or insufficient progress in implementing a corrective action plan
- Misuse of DaySpring or third party licensed property or unauthorized sale or distribution of products by a factory

Major violations will result in the cessation of business with DaySpring and the cancellation of open purchase orders until corrective actions are implemented and validated.

## **Sourcing Guidelines**

We chose to do business only in countries where we believe our Code of Conduct expectations can be reliably implemented and where we believe our employees, agents and brand reputation are not placed at risk. We also require that our employees, agents, suppliers and licensees comply with all laws in the countries in which they operate and that they will follow high standards of integrity and ethics.

You agree to comply with the United States Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and all anti-bribery and anti-corruption laws and regulations of jurisdictions in which you do business. You and your employees shall not, directly or indirectly, make or permit any improper payments, gifts or inducements to affect a decision that assists you in obtaining or retaining business or business advantage.

You must disclose any actual or potential conflicts of interest with our employees or agents, and you may not offer or solicit any bribes or kickbacks or other things of value to our employees or agents.

We maintain a list of countries where we do not permit factories to manufacture our products or branded materials, and from which material may not be sourced. This list may be updated from time to time in our sole discretion and is intended to consider whether a country is experiencing political, economic or social unrest that could place our employees or agents at excessive risk, or whether the country has endemic forced labor, human trafficking or any other human rights problems that would transcend our ability to monitor and mitigate risks.



## DAYSPRING SUPPLIER CODE OF CONDUCT

Currently, manufacturing of products is not permitted in the following countries:

Afghanistan	Algeria	Angola	Bangladesh	Burundi
Cambodia *	Cameroon	Central African Rep.	Chad	Comoros
Congo (Dem. Rep. of)	Congo (Republic of)	Cook Islands	Cuba	Djibouti
Egypt	Equatorial Guinea	Eritrea	Ethiopia	Gabon
Guinea	Guinea-Bissau	Haiti**	Iran	Iraq
North Korea	Kyrgyz Republic	Liberia	Libya	Madagascar
Mali	Mauritania	Mozambique	Myanmar (Burma)	Nigeria
Niue	Pakistan	Somalia	South Sudan	Sudan
Syria	Tajikistan	Togo	Turkmenistan	Uzbekistan
Venezuela	Yemen	Zimbabwe		

\* Sourcing is permitted in Cambodia, but a "Better Factories Cambodia" audit is required if the factory is eligible for this program

\*\* Sourcing is only permitted in Haiti in "Better Works Haiti" factories