

international
labor standards
manual



ETHAN ALLEN®

INTERNATIONAL LABOR STANDARDS MANUAL

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Ethan Allen Global, Inc. and our subsidiaries (collectively, "Ethan Allen") are guided by the Ethan Allen leadership principles. They define our commitment to excellence. They are the compass that enables us to achieve our full potential, both as individuals within the company and as standard-bearers in our industry. Maintaining these standards is of the utmost importance.

We expect all manufacturers of products bearing the Ethan Allen brand regardless of whether co-branded or with a third party (collectively, "Ethan Allen Products") worldwide to share the standards and principles that are important to our company and our clients.

It is important that all of our business partners and any facilities manufacturing Ethan Allen Products share our commitment to labor compliance, ethical standards of business practice, and the fair treatment of workers worldwide. At a minimum, we require that all manufacturers of Ethan Allen Products meet the Ethan Allen Manufacturing Code of Conduct and work with their employees to continuously improve labor standards in their facilities.

This manual was created to educate supplier and factory management and help them to implement Ethan Allen's Manufacturing Code of Conduct.

Our business partners must understand that compliance with our Manufacturing Code of Conduct is as important as meeting our product quality standards. Ethan Allen is committed to working with and educating our supplier network for the improvement of labor conditions worldwide.

MANUFACTURING CODE OF CONDUCT

It is important that all suppliers for Ethan Allen review and understand this document. Facilities manufacturing Ethan Allen Products must implement a labor compliance program and meet or exceed the standards given here.

CHILD LABOR

Use of child labor is not permissible. The term "child" refers to a person younger than 15, or, if higher, the local country's legal minimum age of employment or age to complete compulsory education. The minimum age for hazardous work is 18 (16 under certain strict conditions).

INVOLUNTARY LABOR

Use of any forced and/or involuntary labor is not permissible. The term forced and/or involuntary labor refers to any individual who has been hired in any form of coercive and deceptive recruitment, bonded, or indentured, or the said person has not offered himself voluntarily for employment.

COERCION & HARASSMENT

All workers must be treated fairly and with respect. Physical punishment, threats of violence, or any other forms of mental, sexual, or verbal harassment or abuse are not permissible.

NONDISCRIMINATION

Discrimination in hiring and employment practices on the basis of race, religion, age, nationality, social or ethnic origin, gender, disability, sexual orientation, or political opinion is not permissible. Discrimination in employment practices includes salary, benefits, advancement, discipline, termination, and/or retirement.

FREEDOM OF ASSOCIATION

The right of employees to freedom of association and collective bargaining shall be recognized and respected.

HEALTH AND SAFETY

A safe and healthy environment in all workspaces shall be provided. Any housing/dormitories that are made available to employees shall be safe and healthy. This shall include access to potable water and sanitary facilities, fire safety, adequate lighting, ventilation, personal safety equipment, and proper handling and storage of chemicals.

COMPENSATION

All local wage and hour laws and regulations relating to minimum wages, overtime wages, holiday wages, maximum hours, piece rates, and any other form of compensation shall be complied with. Employees shall be provided with legally mandated benefits. Except in extraordinary business circumstances, an employer will not require employees to work more than the lesser of (a) a 48-hour week plus 12 hours overtime or (b) the limits of regular and overtime hours allowed by local labor law. Also, except in extraordinary business circumstances or as explicitly permitted by local labor law, employees shall be entitled to at least one day off in a seven-day period. Employers shall compensate employees for overtime hours at such rate as is required by local labor laws.

ENVIRONMENTAL PROTECTION

All applicable environmental laws and regulations shall be enforced strictly.

OTHER LAWS

All applicable laws and regulations, including local and national codes, rules, and regulations as well as applicable treaties and voluntary industry standards shall be enforced strictly.

COMPLIANCE PROGRAM MAINTENANCE

Each manufacturing facility must maintain its compliance program. A committee of employees who are trained on factory compliance standards and procedures must be established. This committee shall use a checklist to regularly review the status of these standards. Checklists shall be retained for a period of not less than 7 years.

MONITORING TRANSPARENCY

All employers shall authorize Ethan Allen and/or its designated agents (including third-party auditing companies) to engage in monitoring activities to confirm compliance with this Code of Conduct. This includes: unannounced on-site inspections of manufacturing facilities and employer-provided dormitories; reviews of books and records relating to employment matters (all of which must be retained for a period of not less than 7 years); and private interviews with employees. Employers will retain all documentation on site that may be needed to demonstrate compliance with this Code of Conduct for a period of not less than 7 years. At all times, employers shall be transparent with all documents and records requested during the audit.

SUBCONTRACTING

The use of subcontractors to manufacture any Ethan Allen Product is prohibited. Each facility manufacturing Ethan Allen Products must be registered with Ethan Allen, receive prior written consent to start production, and comply with this Code of Conduct.

FACTORY LABOR COMPLIANCE REQUIREMENTS

Prior to the production of any Ethan Allen Product, each employer, manufacturer, exporter, and/or importer (collectively, a "Supplier") shall comply with the following requirements.

SUBMIT FACTORY LABOR COMPLIANCE DISCLOSURE APPLICATION

Disclose all production facilities. All factories involved in the production of Ethan Allen Products must be disclosed to and approved by Ethan Allen. Subcontractors for the manufacturing of any Ethan Allen Product shall not be used without prior written approval from Ethan Allen.

PROVIDE SUPPORT DOCUMENTATION

Ethan Allen compliance officers shall inquire about current compliance programs and recent third-party audits. Supplier's management shall be prepared to produce documentation supporting compliance statements. *If there have been no audits of the factory within the last 12 months, one will be scheduled.*

ESTABLISH A COMPLIANCE MAINTENANCE PROGRAM IN EACH FACILITY

To ensure ongoing success in the labor compliance program, each Supplier shall establish a compliance committee on site to administer self-assessments using the checklist we have provided.

TAKE CORRECTIVE MEASURES

After any audit, whether internal or third-party, is completed, management shall work with the Supplier's compliance committee on a Corrective Action Plan to address each finding.

WAIT FOR AUTHORIZATION

Do not begin production for Ethan Allen until Ethan Allen's Compliance Department has granted authorization in writing.

MAINTAIN CONTINUOUS COMMUNICATION

A Supplier's management and compliance committee shall work together continuously to ensure that all standards are being maintained.

REPORT ALL FACTORY CHANGES

All changes in the identity of a Supplier's facilities (including, without limitation, manufacturing facilities producing Ethan Allen Products) must be transmitted to Ethan Allen's Compliance Department in writing prior to the effective date of any change. No change may be implemented until approved in writing by Ethan Allen.

FACTORY LABOR COMPLIANCE DISCLOSURE APPLICATION INSTRUCTIONS

A Factory Labor Compliance Disclosure Application (included in this package) must be completed for each Supplier for each factory manufacturing an Ethan Allen Product. A factory is any facility that produces, finishes, and/or assembles an Ethan Allen Product, including printed material. This includes packaging, advertising, and promotional materials. Please complete it as instructed below.

SECTION 1

- *If your company is a direct supplier to Ethan Allen and the company headquarters is located in the factory, please complete Section 1 and Section 2 with the same name and address.*
- *If your company is a direct supplier to Ethan Allen and your company headquarters is located at a different address than the factory, please complete Section 1 with the name and address of the company headquarters.*
- *If you are an importer for Ethan Allen and your company name and address are different than the factory producing the Ethan Allen Products, please complete Section 1 with your company name and address.*
- Be sure to name a company compliance manager and the employee responsible for factory labor compliance in this section under Factory Compliance Contact.

SECTION 2

- *If your company is a direct supplier to Ethan Allen and your company headquarters is located in the factory, your company information will be the same in Section 1 and Section 2.*
- *If your company is a direct supplier to Ethan Allen and your company headquarters is located at a different address than factory, please complete Section 2 with the name and address of the factory.*
- *If you are an importer for Ethan Allen and your company name and address are different than the factory producing the Ethan Allen Products, please complete Section 2 with the name and address of the factory.*
- Be sure to name a company compliance manager and the employee responsible for factory labor compliance in this section under Factory Compliance Contact.

SECTION 3

Please complete with:

- A description of the products to be produced by this factory.
- The name of the Ethan Allen product manager who requested this production.
- The name of the employee who completed this form and a direct telephone number and email address for this person.
- The date that this form was completed.

FACTORY LABOR COMPLIANCE DISCLOSURE APPLICATION

1. COMPANY INFORMATION

COMPANY NAME:	COMPANY CONTACT NAME
COMPANY ADDRESS	FIRST NAME:
STREET/NUMBER:	LAST NAME:
CITY:	JOB TITLE:
TOWN:	PRIMARY E-MAIL:
STATE/PROVINCE:	TELEPHONE NUMBER(S): EXT.
COUNTRY:	MOBILE NUMBER(S):
POSTAL CODE:	COMPLIANCE CONTACT NAME
	FIRST NAME:
	LAST NAME:
	JOB TITLE:
	PRIMARY E-MAIL:
	TELEPHONE NUMBER(S): EXT.
	MOBILE NUMBER(S):

2. FACILITY INFORMATION

FACILITY NAME:	FACILITY CONTACT NAME (FACILITY OWNER OR MANAGER)
FACILITY ILS NUMBER:	FIRST NAME:
PREVIOUS/ALIAS NAMES BY WHICH THIS FACILITY IS KNOWN:	LAST NAME:
FACILITY ADDRESS	JOB TITLE:
STREET/NUMBER:	FACILITY E-MAIL:
CITY:	TELEPHONE NUMBER(S): EXT.
TOWN:	MOBILE NUMBER(S):
STATE/PROVINCE:	FACTORY COMPLIANCE CONTACT
COUNTRY:	FIRST NAME:
POSTAL CODE:	LAST NAME:
	JOB TITLE:
	PRIMARY E-MAIL:
	TELEPHONE NUMBER(S): EXT.
	MOBILE NUMBER(S):
FACILITY WEBSITE:	IS THIS FACILITY OWNED BY THE COMPANY (LICENSEE/VENDOR)? YES NO

3. AGREEMENT

ETHAN ALLEN BRANED PRODUCT(S) TO BE PRODUCED IN:	APPLICATION COMPLETED BY
ETHAN ALLEN PRODUCT MANAGER:	CONTACT:
DATE SUBMITTED:	POSITION:
	TELEPHONE NUMBER:
	E-MAIL ADDRESS:

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FACTORY LABOR COMPLIANCE CHECKLIST

This is a list of points of concentration for any audit, internal or third-party. The employer must retain any records and documents described below for a period of not less than 7 years.

FACILITY POLICIES AND PROCEDURES

- Internal operating policies and procedures
- Business licenses
- Building safety certificate
- Wage and hour policies
- Employment at-will policy
- Anti-discrimination policy
- Employee/Management grievance policy
- Freedom of association policy
- Any other government license, certificates of operation, etc.

EMPLOYEE DOCUMENTATION

- All employment contracts/terms and conditions of employment, including those for contract workers
- All employee files, including employment application, disciplinary notices, etc.
- Proof of age of all workers (copies of identification cards, birth certificates, medical clearance, etc.), including contract workers
- Records of issuance of employee benefits, e.g., annual leave, maternity leave, etc.

PAYROLL AND WORKING HOUR DOCUMENTS

- Payroll records for the last 12 months, including records of all regular and overtime salary payments and any deductions from the salary
- Time records for the last 12 months showing daily start and stop times for workers during each pay period and including regular and overtime work
- Payment receipts for mandatory social insurance payments and other such government contribution schedules
- Production records, if workers are paid by production or piece rate
- Any government waivers or special permissions used to conduct work hours or pay schedules outside of the standard legal limits

ENVIRONMENTAL HEALTH AND SAFETY (EHS)

- Plant layout or facility evacuation plan
- EHS employee training records, e.g., sign-in sheets, agendas, and training materials
- EHS manual and/or written EHS programs
- EHS committee records, e.g., agendas, meeting minutes, and activity logs
- Inspection records for all safety equipment, including fire extinguishers, first aid, eyewash, etc.

FIRE SAFETY

- Aisles, exits, and stairwells must be kept clear, unblocked at all times, and totally accessible.
- There shall be a sufficient number of exits for each working space in the factory. There must be at least two exits out of any employee workspace, so that if one exit is blocked with a fire and/or emergency, employees can use the other exit to leave the area.
- All exit doors shall open outward so in the event of an emergency employees can exit the factory quickly and easily.
- The factory shall have an Emergency Response Plan.
- Factory senior management shall create a complete fire safety checklist, appoint and train a fire safety team, and conduct a factory walkthrough to review the checklist and procedures.
- The factory shall have two fire drill training sessions for employees every year.
- The factory shall maintain records on fire drills and including dates, number of employees, and time it took to clear facility.
- The factory shall provide easy access for fire department vehicles and other firefighting equipment on the premises. The fire department shall have easy access to water sources, the fire sprinkler system, and gas cutoffs.
- The factory shall establish an adequate evacuation plan, including an exit route map that is maintained and updated, posted in the local language, and includes a "you are here" mark.
- The factory must have functional, accessible, and properly maintained fire-extinguishing equipment that is adequate for the hazard level of the factory operation.
- The fire extinguishers shall be tagged with their most recent testing and service dates. Action shall be taken immediately if the maintenance period has been too long.
- The factory shall be able to produce testing, inspection, and maintenance records for fixed and portable fire suppression equipment.
- Raw materials shall be maintained in a storage warehouse setting. They shall not be stored in basements or dormitories.
- The factory shall have an effective fire alarm system that provides both audible and visual notification in case of an emergency.
- Electrical wires shall not be exposed. Electrical wiring that is not maintained in the proper manner can result in an electrical fire.

HEALTH AND SAFETY

- Accident investigation forms
- Accident or injury reports
- Chemical inventory and proper storage of chemicals in secondary containment
- Material safety data sheets (MSDS)
- Records of industrial safety monitoring (exposure to chemicals, noise, temperature, measurements of ventilation)
- Job/task hazard assessments/determinations
- Appropriate safety equipment (protective goggles, ventilated masks, gloves, etc.) for each process must be available to employees and must be in use correctly.
- Employees are required to wear appropriate footwear for their work.

ENVIRONMENTAL

- Air emissions permits
- Air emissions monitoring records
- Drinking water analyses
- Wastewater discharge monitoring reports
- Wastewater discharge permits
- Hazardous waste manifests or shipping papers
- Waste profiles/test results/waste analyses

All Suppliers shall authorize Ethan Allen and its designated agents (including third-party auditing companies) to engage in monitoring activities to confirm compliance with this Code of Conduct.

FACTORY COMPLIANCE NOTIFICATION FORM

Ethan Allen will notify the Supplier of the scheduling of an upcoming factory compliance audit. An example of the audit notification is included in this package.

THIRD-PARTY AUDITING COMPANY

A third-party auditing company authorized by Ethan Allen will notify the Supplier that the auditor is planning an audit. You will pay the cost of the audit in advance to this audit company.

FACTORY AUDIT

Auditing company employee(s) will arrive at the location of the audit unannounced. They will have verification of their employment by the audit company and documentation that they are there to perform an audit for Ethan Allen. The audit may last one or two days.

CLOSING MEETING

The auditor(s) will request a closing meeting to review the labor compliance findings in the location, discuss the audit, and request signatures from the Supplier's management to verify that the audit and closing meeting took place. Auditors will give a copy of the audit summary to the Supplier's personnel at this meeting.

FINAL AUDIT REVIEW

The auditor(s) will submit their final report to the auditing company's regional office for review. A final mailing will be sent to both Supplier's management and the Ethan Allen compliance department.

CORRECTIVE ACTION PLAN

Once a Supplier is made aware of noncompliance findings, either after the closing meeting or when mailed the final report, factory management must complete the Ethan Allen Corrective Action Plan Form and return to Ethan Allen within 10 days.

FACTORY LABOR COMPLIANCE ASSESSMENT NOTIFICATION

If your factory is selected for an audit, you will receive a document like this one.

NOTIFICATION OF UPCOMING LABOR COMPLIANCE AUDIT FOR ETHAN ALLEN

Ethan Allen Global, Inc. has selected the following facility for an Ethan Allen Labor Compliance Audit by _____ in the next 30 days. Ethan Allen requires that the auditing company who will be assessing your facility for Labor Compliance be given entrance into your facility upon arrival.

Factory name _____

Factory address _____

Factory contact _____

Ethan Allen records indicated that this facility is making Ethan Allen brand products for Ethan Allen Global, Inc. *If this is not true, if the factory name or address is incorrect, or if the factory has relocated, please contact the Ethan Allen Compliance Department as soon as possible.*

PLEASE NOTIFY YOUR FACILITY IMMEDIATELY OF THIS UPCOMING AUDIT.

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THESE ARE THE BENCHMARKS OF A STRONG FACTORY LABOR COMPLIANCE PROGRAM:

- **Factory management involvement:** Factory labor compliance is only successful when management is involved.
- **An active on-site compliance team:** A well-trained factory compliance team finds and addresses issues proactively and is key to program maintenance.
- **Self-auditing:** The factory compliance team shall use the Factory Compliance Checklist to self-audit monthly. All completed checklists shall be retained for a period of not less than 7 years.
- **Corrective Action Plans:** Use the Factory Corrective Action Plan form in this package to organize self-audit findings and establish a process and timeline for their resolution. One employee shall be responsible for each open task.
- **Communications:** Factory management and staff shall keep in contact with Ethan Allen staff and request additional educational training material when necessary.

THE BENEFITS OF LABOR COMPLIANCE FOR YOUR FACTORY:

- Enhance your reputation as a benchmark factory for responsible production
- The opportunity to improve factory efficiency
- Employee participation in factory programs strengthens employee loyalty and motivation
- Streamline factory costs by running a safe, more efficient workplace

CORRECTIVE ACTIVE PLAN

VENDOR NAME _____

FACTORY CONTACT _____

VENDOR CONTACT _____

FACTORY AUDIT DATE _____

FACTORY NAME _____

AUDITING COMPANY _____

FINDINGS	REQUESTED ACTION PLAN	REQUESTED COMPLETION DATE	FACTORY REMARKS	FACTORY CORRECTIVE ACTION PLAN	PHOTOGRAPHS SENT	ETHAN ALLEN REMARKS	UPDATED NOTES

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FACTORY CORRECTIVE ACTIVE PLAN

FACTORY NAME _____ AUDITING COMMITTEE _____

SELF AUDIT DATE _____ MANAGEMENT APPROVAL _____ NAME _____ DATE _____

FINDINGS	CORRECTIVE ACTION PLAN	TARGET COMPLETION DATE	COMPLETED BY	PHOTOGRAPHS TAKEN		COMPLETION NOTES
				YES	N/A	

CORRECTIVE ACTION PLAN PROCEDURE

A key part of the Labor Compliance program is the Corrective Action Plan, known in the industry as the CAP. A CAP typically starts shortly after an audit and is based on audit findings.

It is important to review every finding and address each issue using the Corrective Action Plan form (included in this manual), where all the pertinent information can be clearly organized, including: the findings, how the finding will be corrected, the date by which it will be corrected, and photographs of the corrective action. Once completed, each Corrective Action Plan shall be retained for a period of not less than 7 years.

The Factory Corrective Action Plan form shall be used with monthly compliance maintenance audits by the factory compliance team. It is good procedure to regularly evaluate and address current findings in the factory. The form is a record of the continuous maintenance that the factory takes to maintain labor standards for their facility.

ACTION PLAN PROCEDURE:

1. List each finding for the current factory audit.
2. Review and discuss what will be done to correct finding.
3. Ask any questions if the finding is not clearly explained and defined.
4. Develop the CAP and set a date for the completion of the project.
Please be realistic on completion dates.
5. Complete the corrective action on a timely basis.
6. Take photographs of the corrective action, especially if it is an improvement for health and safety.
7. Complete the Ethan Allen Corrective Action Form.
8. Email the Completed Ethan Allen Corrective Action Form.
9. Ethan Allen Compliance staff will follow up any questions or suggestions on the CAP.
10. Continue to use the form and the factory checklist to outline any future findings that shall be corrected throughout the year.

FACTORY LOSS OF PRODUCTION NOTIFICATION

In the event that your factory fails to meet compliance standards on three consecutive audits or fails to address items in the CAP, your privileges as a manufacturer of Ethan Allen Products will be revoked and you will receive the following notification:

AFTER REVIEWING AUDIT REPORTS AND CORRECTIVE ACTION PLANS FOR THE FACTORY LISTED BELOW, IT HAS BEEN DETERMINED THAT THIS FACTORY IS NO LONGER AUTHORIZED TO MANUFACTURE ETHAN ALLEN PRODUCTS:

Factory name _____

Factory address _____

Promptly cease production after the fulfillment of any purchase orders currently open at this factory, which shall be no more than 30 days after this notification. Please ensure that all intellectual property of Ethan Allen is cleared from your facility after the final shipment. Intellectual property includes any packaging, labeling, or other branded items.

Your factory will be permitted to reapply to the program after you have completed a new Ethan Allen Facility Disclosure Authorization Form and after a new Labor Compliance audit has been conducted and reviewed by Ethan Allen.

If you have any questions, please contact the Ethan Allen Compliance Department.

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