

CROWN CRAFTS INC.

Standards for Contractors and Suppliers

Crown Crafts, Inc. is committed to legal compliance and ethical business practices in all of our operations worldwide. We choose suppliers and contractors who comply with all applicable laws and requirements of the country, or countries, in which they are conducting business. Our standards are summarized as follows:

Child Labor

Contractors and suppliers must not use child labor, defined as workers under the age of 14, or higher if the country of manufacture requires compulsory education beyond 14 years of age. Age verification procedures must be effectively implemented, and personnel files must include identification documentation submitted by the worker to include age verification.

Wages/Benefits

Employees must be compensated for all hours worked, at rates that meet the national minimum standards or local industry standards, whichever is higher. Overtime must be voluntary and compensated at legally mandated rates, or at a rate at least equal to the regular hourly wage. Employees must be provided with all legally mandated benefits.

Working Hours/Days Off

On a regular basis, employees shall not be required to work more than the lesser of 60 hour per week, including overtime, or the amount specified by the applicable labor code. Workers shall have at least one day of rest in every seven. Time records must be maintained by employees, i.e. punch in and out themselves; and be available for review.

Forced Labor

Employment must be on a voluntary basis. Our contractors and suppliers must not utilize forced labor, prison labor or other compulsory labor, or purchase materials from suppliers using forced labor, prison labor or other compulsory labor. Workers must never be physically prevented from leaving the facility or grounds.

Discrimination

Contractors and suppliers must not discriminate against employees or potential employees in employment practices, including hiring, wages, benefits, advancement, disciplinary procedures, termination or retirement, on the basis of gender, race, religion, age, disability, nationality, political opinion, sexual orientation, and ethnic origin, or for maternity or marital status.

Environment

Contractors and suppliers must adhere to all applicable laws regarding the protection and preservation of the environment, including all laws related to waste management, wastewater management, air emissions management, water management, energy use and GHG (greenhouse gas) management, land use and biodiversity, hazardous substances management and disposal, soil and groundwater pollution and noise pollution. All appropriate permits should be obtained and kept current. A mechanism should be in place to monitor changes in environmental laws and regulations and to achieve compliance.

It is our goal as a company to actively pursue improvements relating to environmental issues, and reduce our carbon footprint. As an integral part of the Crown Crafts supply chain, all our business partners are encouraged to develop quantifiable goals to improve the environment by reducing greenhouse gas emissions, soil and groundwater pollution and develop recycling programs to reduce waste. As part of this process we will be requiring vendors to measure their greenhouse gas emissions and put into practice steps to reduce emissions on a going forward basis.

Health & Safety

Health, safety and other workplace environment conditions, including those for worker housing where provided, must meet all applicable laws and regulations. Suppliers must have in place appropriate procedures to ensure fire safety, electrical safety, chemical safety, disposal of hazardous materials, and use of protective equipment and clothing if necessary. First Aid must be readily available in case of accidents. All facilities must be maintained in a clean and safe condition. Exits should be properly marked; adequate lighting and ventilation must be provided in all areas. Drinking water should be accessible to workers.

Disciplinary Practices

Crown Crafts will not utilize contractor or suppliers who use corporal punishment or any form of mental or physical coercion or harassment

Freedom of Association

Employees should be free to join organizations of their own choice. Employees should not be subject to intimidation or harassment in the exercise of their right to join (or to refrain from joining) any organization. Where the right to freedom of association and collective bargaining is restricted under law, the employer should take steps to create an open means of communication for employees to discuss issues and express concerns in a positive environment.

Customs and Security

Contractors and suppliers shall adhere to the Security Standard established and recommended by the U.S. Customs initiative CTPAT (Customs Trade Partnership Against Terrorism). Contractors and suppliers must respect all applicable laws regarding the importation and trans-shipment of merchandise into the United States.

Subcontracting

Contractors and suppliers may not subcontract any operation in the manufacturing process without prior written consent from Crown Crafts. Any subcontractor must be able to meet the criteria set forth above.

Inspections: Record Keeping by Contactors and Suppliers/Verification by Crown Crafts

In order for Crown Crafts to monitor compliance with these standards:

1. Contractors and suppliers must permit representatives of Crown Crafts complete and free access to employees, the workplace and worker housing (where applicable).
2. We reserve the right for Crown Craft representatives to audit without prior notice.
3. Contactors and suppliers must keep and maintain thorough records of employment actions, hours worked, wages paid, charges to workers for housing and meals (where applicable), and other relevant records. All such records must be made available to inspectors promptly upon request.