





# LE COQ SPORTIF

## CODE OF CONDUCT

Le Coq Sportif (LCS) is a French origin sport brand company, born in 1882; its mission is to provide stylish and quality sporting goods worldwide.

For us, as a sourcing partner, you really belong to Le Coq Sportif Team. That is why we would like to strengthen links with you in order to better meet our consumer's needs.

We share with our partners the same values coming from sport; we all agree that factories should be fair and safe places to work.

We recognize that our business activities have an impact on people and on the environment in which we operate. We have a responsibility for the social, ethical and environmental impact of our activities and are committed to implementing, measuring, monitoring and improving standards, especially by:

- Respecting the rights of all employees
- Providing a safe and healthy workplace
- Promoting the health and well-being of all employees
- Minimizing our impact on the environment

This Code of Conduct is a set of broad principles derived from fundamental International Labor Organization Conventions, Universal Declaration of Human Rights and other relevant standards which establish international human and labor rights.

The COC is used for selecting new business partners and to evaluate existing business partners. It is a tool that should be used to measure and continually improve workplace conditions.

In all cases, business partners are required to comply with the standards and practices described below. In addition to respecting this Code of Conduct, they must comply with all applicable local laws and aim to apply international agreements concerning fair employment practices, health and safety standards and environmental protection. Where there is a conflict between the COC and local legislation, business partners should follow the higher standards.

It is mandatory that our consumers can have confidence that products manufactured in compliance with this Code of Conduct are not produced under exploitive or inhumane conditions.

Where a factory is found to be in violation with the COC, corrective action will be instigated and unless the violation is corrected, Le Coq Sportif will cease to do business with the offending factory.

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# 1. EMPLOYEMENT STANDARDS

**With these standards, our priority is to protect the rights of the workers in our factories.**

## 1.1. Forced Labor

In accordance with ILO ( International Labor Organization) Conventions 29, 60 and 105; with ILO Recommendation 35; and with the Universal Declaration of Human Rights (Article 4 and 13) Business partners must not use forced labor, whether in the form of prison labor, bonded labor or otherwise. Factory must not use compulsory labor, including labor that is required as a mean of political coercion.

- All employees must work voluntarily in the factory.
- Workers must be free to enter into and to terminate their employment freely.
- Workers must not be compelled to work through force or intimidation of any form.
- Workers must not be bounded to employment as a condition of fulfilling terms of a debt to a third party.
- Employers must not hold original personal identification documents (passports, identity papers travel documents or any other personal legal documents) to guarantee that workers will not leave. They may obtain copies of original personal documents for record-keeping purposes.
- Employers must guarantee workers right to freedom of movement during the course of employment.
- Workers must not be locked inside factory premises for any reason.
- Workers must be free to leave the factory when their work shift ends.

- Employers must maintain sufficient hiring and employment records to demonstrate compliance with this code of conduct.

## 1.2. Harassment or Abuse

In accordance with ILO Conventions 29 and 105; and with the Universal Declaration of Human Rights (Article 5).

Everybody should be treated fairly and reasonably with dignity and respect.

- There must be no behaviors that are creating or contributing to an intimidating, hostile, or offensive work environment.
- No worker must be subject to any physical, verbal, sexual or psychological harassment or abuse in connection with their employment.
- Employers must not engage or tolerate the use of torture, cruel, inhumane or degrading treatment or punishment.
- Behavior that is sexually coercive, threatening, abusive or exploitative must not be permitted.
- Employers must ensure that there are sufficient and effective systems of appeal and grievance. They must also enforce a non-retaliation policy that permits workers to express their concerns about workplace conditions without fear of retribution or losing their jobs. Workers must have the opportunity to notify anonymously any violations of standards at a workplace directly to factory managers, and they must not receive retribution for this action.

## 1.3. Non-Discrimination

In accordance with ILO Conventions 100, 111, 143, 158, 159 and 183; with ILO Recommendations 90 and 111; and with the Universal Declaration of Human Rights (Article 1, 2, 7, 10 and 18).

No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, access to training, promotion, termination or retirement, on the basis of gender, race, religion, age, social background, disability, sexual orientation, nationality, political opinion, membership in workers' organizations or ethnic origin.

- Respecting cultural differences, workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.
- Employers should recruit, train and promote employees on equal terms on the basis of skills and experience required.
- There should be equality of treatment and opportunities for all workers, men and women at same positions:
  - Equal remuneration for work of equal value
  - Equal evaluation of the quality of their work
  - Equal opportunities to fill all positions open
- Migrant workers should also have equal treatment and opportunities.
- Discrimination based on marital status, capacity to bear children or pregnancy, shall be prohibited.
- Factories should have a policy that help prevent discrimination against women:
  - There will be no prohibition of employment of married or pregnant women.
  - Pregnancy testing will not be a condition of employment.
  - No decisions that result in dismissal, threat of dismissal, loss of seniority, reassignment to hazardous tasks, or deduction of wages will be taken on the basis of a woman's pregnancy.
  - Women taking maternity leave shall be entitled to return to their employment on the same terms and conditions that applied to them prior to taking leave.

#### **1.4. Freedom of Association and Collective Bargaining**

In accordance with ILO Conventions 87, 98, 135, 143 and 154; and with the Universal Declaration of Human Rights (Article 19, 20 and 23).

The right of all employees to join and organize associations of their own choosing and to bargain collectively must be recognized and respected. Where this right is restricted under local law, alternative legal means for independent and free association and bargaining must not be obstructed.

- Employers must adopt an open attitude towards the activities of trade unions and their organizational activities. They must assure that workers can exercise their right to organize in a climate free of violence, pressure, fear or threats.
- Employers must not interfere with the workers' right to establish, organize, and join associations of their own choosing.
- Workers must not be subject to dismissal, discrimination, harassment, intimidation or any retaliation in their efforts to freely associate or bargain collectively.
- Employers must not cooperate with organizations that use the power of the State to prevent workers from organizing a union of their choice.
- Workers must be given the right to decide how their best interests will be represented in the workplace. They should actively participate in managing the workplace and ought to be represented on committees by electing workers representatives.
- Workers representatives must not be discriminated and must have access to all workplaces necessary to carry out their representative functions. It shall be ensured that union organizers and representatives of personnel have free access to members.
- Workers should be free to meet and discuss workplace issues in the factory during their breaks and before and after work.
- The right of collective bargaining concerns voluntary negotiation between employers and workers about workplace terms and conditions. Workers may communicate directly or through representatives their concerns about factory practices to management.

Communication is important for social and environmental compliance. There are some basic and important principles such as:

- Freedom of expression
- Effective communication
- Obligation of all parties to act reasonably and lawfully
- Desire to achieve mutually beneficial results

### 1.5. Wages and Benefits

In accordance with ILO Conventions 26 and 131; and with the Universal Declaration of Human Rights (Article 22 and 23).

In all cases, wages must equal or exceed the minimum wage required by local law or the prevailing industry wage, whichever is higher, and legally mandated benefits must be provided.

- Employers must pay workers for all time worked.
- Workers must be provided remuneration without discrimination which means equal remuneration for work of equal value.
- Wages will be paid directly to employees, on a regular schedule and in manner convenient to workers through a clear accounting procedure.
- Information relating to wages and benefits must be available in an understandable form. Business partners must provide a clear, written pay slip for every pay period that show how wages are calculated.
- Deductions from wages as a disciplinary measure are forbidden
- Wages statements should include hours worked, overtime, bonuses and deductions.
- Employers should maintain accurate and reliable payroll reports.
- Overtime must be compensated differently than regular working hours (see below).
- Workers must have access to legally mandated benefits such as health care, child care, emergency, pregnancy or sick leave; contributions for social security and other insurances.
- Workers will be paid for annual leave and holidays as required by law.
- Part time or temporary workers must receive the same protection and benefits as comparable full time workers.

### 1.6. Working hours/Overtime

In accordance with ILO Conventions 1 and 14; and with the Universal Declaration of Human Rights (Article 24).

Workers must not be required to work more than 48 regular hours per week and 12 hours overtime, or the local legal requirement, whichever is less. Employees must be entitled at least one day off for every 7 day period and must receive paid annual leave.

- The regular workweek must not exceed 48 hours.
- Overtime must be voluntary, should not exceed 12 hours per week and should not be demanded on a regular basis.
- Employers must limit overtime to a level that complies with national laws and ensures productive and humane working conditions.
- Compensation for overtime hours must be done at the rate legally required in the country of manufacture in accordance with local law or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.
- There must be no retaliation for refusing overtime.
- All hours worked must be documented.
- Working hours must include reasonable meal and rest breaks, at a minimum, in compliance with applicable laws.
- Specific measures shall be adopted for employees who work at night or on shift work.
- Prior to employment, employers must inform workers about their policies regarding regular working hours, applicable wage rate, overtime hours and overtime compensation rates.

### 1.7. Health and Safety

In accordance with ILO Convention 155, ILO Recommendations 164 and 190; and with the Universal Declaration of Human Rights (Article 3, 23 and 25).

A safe, hygienic and healthy working environment must be provided to workers, and adequate steps to prevent work-related accidents and injury.

**General requirements:**

Employers must comply with all workplace safety and health regulations established by the national government where the production facility is located and all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located.

- A clear set of regulations and procedures must be established and followed regarding occupational health and safety, especially protection from fire, accidents and toxic substances; clean bathrooms; access to potable water and if appropriate, sanitary facilities for food storage shall be provided.
- Health and safety policies and procedure shall be clearly communicated to the workers. All personnel shall receive regular and recorded training on workplace safety practices such as fire extinguishers and basic First Aid. Moreover, such training shall be repeated for new and reassigned personnel.
- Every factory must designate a qualified person to manage health and safety issues.

**Management of hazardous and combustible materials:**

Health and safety risks to workers can be reduced by limiting the use and emissions of chemicals and by improving the handling of hazardous materials.

- There shall be a good chemical management system, a good chemical storage with adequate containers regularly checked and an appropriate chemical use in production.
- Business partners shall respect the threshold limit values for all chemicals used.
- All hazardous chemicals shall be well stored in order to reduce risk of fire, explosion or serious injury.
- Workers must be given free personal protective equipment (PPE) wherever appropriate in any areas where a health or safety hazard exists.

Factories shall analyze the risks present and undertake a program to minimize them by, if necessary:

- modifying work procedures,
- eliminating hazardous substances,
- installing safety equipment, especially on machines,
- requiring workers to wear PPE to protect against hazards.

**Fire safety:**

A comprehensive fire safety program involves three key elements: minimizing fire hazards, planning for emergency action and training.

- The factory must have adequate fire extinguishers on every floor.
- The fire extinguishers must be checked periodically by the fire department or other competent authority in accordance with local regulations but in any case not less than once every 3 months.
- The factory must be equipped with at least one fire alarm which is checked periodically by the fire department or other competent authority in accordance with local regulations but in any case not less than once every 3 months.
- Fire escapes must exist and be clearly marked, well-illuminated and accessible for each floor. Regular inspection must ensure that such emergency exits are not locked, chained or otherwise obstructed.
- Evacuation plans in local languages must be strategically placed on every floor in view of workers who shall be trained to respond quickly and responsibly in case of fire.

**Emergency medical care:**

- The factory must have up-to-date First Aid kit and a dedicated room for First Aid.
- The factory must appoint a dedicated doctor on call during factory hours.
- There should be written emergency procedures for serious injuries.
- Emergency telephone numbers of medical facilities, ambulance services and local police and fire authorities should be posted in visible places in the factory.

## 2. CHILD LABOUR

In accordance with ILO Conventions 59, 79, 138, 142 and 182; and with the United Nations Convention on the Rights of the Child.

The United Nations and the International Labor Organization consider child labour exploitative, with the UN stipulating, in article 32 of the Convention on the Rights of the Child that :

*"... States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."*

The aim of this Code of Conduct is to protect children rights.

ILO and United Nations Conventions stipulate that any forms of exploitation of children are forbidden. Employers shall not hire children below the legal age and shall comply with all legal restrictions that apply to young workers. These regulations include hiring and working conditions, types of work, work schedules, labor intensity and proof of age documentation.

Based on the international standards, there are 4 major approaches for child labor:

### 2.1. Minimum Age

- No person must be employed at an age younger than 15 or younger than the age for completing compulsory education in the country of manufacture whichever is higher.
- Apprentices or vocational students will be at least the minimum working age.

### 2.2. General Conditions

- Young workers, between 15 and the age of 18, must be provided safe and healthy production areas.
- Young workers should be given the opportunity in education and training programs such as health and safety training

### 2.3. Special Conditions

- To further ensure the age standard, factories must not use any form of homework for LCS production.
- Young workers must not be employed at night, in hazardous conditions, or for work which could interfere with their physical or mental health.
- Furthermore overtime must be prohibited for young workers.
- Young workers shall be provided appropriate social benefits, protection and healthcare according to their age.

### 2.4. Verification

- Employers must verify the age of all workers and are required to maintain official documentation allowing for verification of each worker's date of birth.

## 3. ENVIRONMENTAL REQUIREMENTS

Le Coq Sportif and its business partners share the same concerns about conservation of inheritance for the next generations. We want actively to protect and restore the natural environment.

Business partners should set environmental principles in order to preserve nature and to fight against pollution. Furthermore, they should also work to ensure consumers' health through manufacturing harmless products and respecting all applicable legislations and especially European R.E.A.C.H. regulation ( Registration, Evaluation, Authorization of Chemicals ).

### 3.1. Fight against pollution

- To minimize environmental risks by:
  - reducing the emission of greenhouse gases and toxic substances (volatile organic compounds, CFI, carbon monoxide and dioxide...),
  - reducing the discharge of petroleum and petroleum derivatives,
  - limiting the use of solvents by using water-based adhesives,
  - using water-efficient production methods (water management practices),
  - seeking to reduce the use of natural resources,
  - treating extracted air,
  - applying correct storage and handling of hazardous and combustible chemicals,
  - reducing energy consumption (water, electricity...) and encouraging renewable energy sources whenever possible.

- To follow the international rules about recycling of industrial wastes. Business partners have to reduce and avoid pollution and waste by:
  - the separation and treatment of waste,
  - the treatment of waste water,
  - avoiding ground and water pollution caused by discharge of toxic and hazardous materials,
  - using appropriate waste containers and storage areas,
  - incinerating waste with properly incinerators,
  - favoring recycling activities.

The basic principles in waste management are: avoid – reduce – recycle

Business partners should find solutions which best match its specific operating conditions and local requirements.

### 3.2. R.E.A.C.H./Consumers protection

R.E.A.C.H. (Registration, Evaluation and Authorization of Chemicals) is the new European regulation for chemicals which will aim to improve the protection of human health and environment through better and earlier identification of chemicals properties. It will eliminate or replace the most toxic and hazardous substances from our products.

This new legislation concerns all producers and importers. The implementation is divided in different steps:

- R.E.A.C.H. has been launched 1st June 2007.
- A period of pre-registration of the substances has taken place between the 1st June 2008 and the 30th November 2008.
- After this pre-registration, producers and importers have a restricted period of time for the final registration according to the quantity of substance used per year. The deadlines are from 2010 to 2018.

All industries shall give enough information about the substances they use. If they use forbidden substances, all the products made with these substances could not be imported in Europe.

There are four different lists of substances of very high concern for which an authorization will be required:

- CMR1 and CMR2: Carcinogenic, Mutagenic or toxic to Reproduction
- PBT: Persistent, Bioaccumulative and Toxic
- vPvB: very Persistent and very Bioaccumulative.

Business partners have to seek alternatives to the use of the most toxic substances when possible. Compliances to REACH are further detailed and regularly updated within LCS quality manual for Footwear, Apparel and Hardware.

## 4. IMPLEMENTATION MONITORING

As you belong to Le Coq Sportif team, we want to help you to implement this Code of Conduct by giving you the best means to do it. We also want to help you to find solutions in case of non-compliance with our standards.

In addition, an independent company will assist us to implement our monitoring and remediation program.

Our aim is to work together to continuously improve the workplace conditions in our factories.

A complete process of assessing, monitoring and training will be implemented in order to check that the terms of the COC are being respected and to help you to improve them. It includes:

- factory assessments through social audits,
- remediation with set up of corrective actions plan for improvements.

There are several ways to assess workplace conditions, therefore the audit is divided in different steps.

- initial meeting with the factory manager to explain how the audit will take place,
- health and safety visual inspection,
- workers interviews, management interviews,
- documents review,
- final meeting with the factory manager in order to feedback audit results and propose a corrective actions plan in case of non-compliance.

We will take different steps to ensure that all the factories working for Le Coq Sportif are in compliance with our standards:

- periodic inspections will be done in a selection of factories through announced or unannounced visit,
- Standards should be posted in the factory in the local language.

In addition, factories and their managers should:

- maintain full and up-to-date information to demonstrate compliance with the COC and the required laws,
- make these information available to audit monitors,
- allow all inspections at any time with or without prior notice,
- allow interviews with employees.

If a factory is found to be in violation with the COC, we will determine appropriate corrective actions with our business partners and make effective recommendations to the managers.

An adequate amount of time to take all steps necessary to rectify such violations will also be determined.

We will do whatever we can to help our business partners improving the workplace conditions in their factories but if these actions do not result in correction of the violation within a reasonable amount of time or if repeated failures are observed, Le Coq Sportif will terminate all business relationships with this factory.



lecoqsportif.com

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PARIS OFFICE  
52 TER RUE DES VINAIGRIERS  
75010 PARIS  
FRANCE  
TEL: +33 (0) 388 647 500  
FAX: +33 (0) 142 052 473

HQ ENTZHEIM OFFICE  
19 RUE ICARE AÉROPARC 1  
67960 ENTZHEIM  
FRANCE  
TEL: +33 (0) 388 647 500  
FAX: +33 (0) 388 689 314