

BUSINESS PARTNERSHIP POLICIES

Corporate Responsibility – Ethical Sourcing

Fashion today is a global business, with design and manufacturing networks that unite the world. Le Château understands the challenges of operating in a multi-cultural, global community and is committed to ensuring that all suppliers who want to conduct business with Le Château must conform to the fair and just ethical standards and business practices summarized herein below which are in full compliance with the conventions put forth by the International Labour Organization (ILO). These include key issues such as working hours, the payment of applicable wages and the prohibition of child labour.

As a company, Le Château Inc. is committed to ethical sourcing and is united in efforts to make a difference. We want factories to be a healthy and secure environment for workers. We want everyone involved, at every level, to be treated with dignity and respect. Most importantly, we want our customers to feel comfortable that the products they are buying are ethically sound and are from a company that cares about the origin of its goods.

While Le Château recognizes that different cultural, legal and ethical systems exist in the countries in which merchandise purchased by Le Château is manufactured, the following outlines the basic requirements that all Le Château suppliers and their factories - domestic and foreign – must satisfy as a condition of doing business with Le Château.

Compliance with Law

Le Château will deal only with suppliers of merchandise considered reputable, and whose business and labour practices conform to the requirements of applicable law. Factories that produce goods for Le Château shall comply with the law of their respective countries and with all other applicable laws, rules and regulations. Le Château will not do business with companies that violate the law, and will terminate its relationship with suppliers that do.

The factory allows Le Château and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at any time, with or without advance notice.

Health and Safety

Conditions in all work facilities must be safe, clean and consistent with all applicable laws and regulations regarding safety and health.

Child Labour

No person shall be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

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Forced Labour

The use of forced, coerced or compulsory labour is unacceptable. Suppliers shall not use involuntary labour of any kind, including prison labour, debt bondage or forced labour by governments.

Harassment or Abuse

Corporal punishment or other forms of abuse or harassment are strictly forbidden.

Discrimination

Discrimination in hiring, promotions, discipline, termination or other terms and conditions of employment based on personal characteristics, beliefs or other legally protected criteria is prohibited.

Working Hours

Except in extraordinary business circumstances, employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime and (ii) be entitled to at least one day off in every seven day period.

Wages and Benefits

Suppliers shall compensate their employees by providing wages, including overtime pay, and benefits that satisfy all applicable laws and regulations. Employees shall be paid at least the minimum wage required by law or the prevailing industry wage, whichever is greater.

Freedom of Association

Suppliers must allow their employees the right to establish and join legal organizations of their own choosing without being penalized for their non-violent exercise of this right.

Environmental Compliance

Suppliers must comply with all local laws protecting the environment. In addition, Le Château encourages its suppliers to conduct business so as to minimize waste and maximize recycling.

Notice and Record Keeping

Le Château may require suppliers to post this Policy in a location accessible to their employees (in the appropriate local language). Suppliers must maintain current sufficiently detailed records to enable Le Château to determine their compliance with

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this Policy, and make these records available to Le Château representatives upon request.

Content Restrictions

We are on the vanguard of hazardous content issues in all our products. We have numerous systems in place to prevent hazardous materials from being used and/or included in our products and there are internal audit mechanisms for continual testing to verify compliance with this policy. Please note that Le Château has a lead-free policy in effect and as such all goods, whether they are accessories or other goods purchased whereby any trimmings attached or affixed to a finished product which may contain lead, may be randomly tested. Only jewellery orders however must be accompanied by a signed metallurgical content certificate. Note that Le Château also has a well established formal corporate policy concerning fur-free products. We do not use any real fur in our product line and require that our suppliers adhere to such policy.

Compliance with Import Bans

We are committed to operating our business in a socially and legally responsible manner. As such, we are committed to complying with, among other things, applicable import bans and government restrictions that may apply to products sourced abroad by Le Château.

Customs Compliance

Suppliers will comply with any and all applicable customs laws. Special procedures should be put in place to ensure compliance with customs laws regarding transshipment of apparel products.

Security

Suppliers will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments. Not manifested items include, but are not limited to explosives, drugs, biohazards or contraband of any type.

Confidentiality

Le Château ensures the confidentiality of information relating to its suppliers and, similarly, all suppliers are expected not to divulge any information that Le Château considers to be confidential.

Feedback and Violations

While Le Château takes appropriate measures to verify suppliers' compliance with this policy, there may, nevertheless, be instances where, despite our best efforts, we are unaware of certain practices on the part of a supplier.

We therefore welcome any feedback on our policies and encourage any reports of suspected violations of this Policy. To do so, please contact Le Château by phone at 1-888-577-7419 ext. 755 or visit www.ethicspoint.com.