OUR ETHICS

Ethics are important to BSI Merch; in the way we operate as a business, the products we use and the people we work with.

We promote a range of ethical products. Clothing options include 100% organic cotton, fair trade and carbon neutral products from suppliers including Continental Clothing, Epona and Edun Live. Recycled products include lanyards, stationary and reusable shopping bags. We also offer a certified 100% organic printing process.

We have produced ethical merchandise for the likes of Get Cape Wear Cape Fly, Super Furry Animals, Amnesty International, Warchild, Global Cool and the Free Burma Campaign.

As a Company, we take our responsibility very seriously in this area and want to offer both our clients and our e-commerce customers the best range of materials available. We strive to continue to make further improvements and welcome our clients input in helping achieve this goal.

We work closely with our supply chain to ensure ethical practices at every stage of a products manufacture.

We have long operated recycling schemes in all our offices, and have extended this with a printer cartridge recycling scheme for other local businesses (raising money for Amnesty International) and a mobile phone recycling scheme for all our online customers (raising money for Global Cool). We’ve enrolled in www.cyclescheme.co.uk to provide cycles for our staff to get people out of cars and public transport and onto bikes for both commutes and travelling to business meetings. Our e-commerce operation uses recycled and biodegradable packaging and we give our customers further advice for the full life cycle of the products, including greener washing instructions sent with every item of clothing shipped. If we can make a small difference to consumer’s behavior by our efforts, we’ve scored a small win. And the small wins add up.

BSI MERCH
So whilst it seems like a small detail, it’s something BSI Merch strongly believe in. So all the products used in our
offices and warehouses are as ethical as possible. Whether it be the Fair Trade organic coffee we’re sipping in
litres on the late shifts, to the recycled paper toilet roll we’re using after drinking so much coffee, and then the
cleaning products used to clean those toilets as a result. These are all small details. But they add to the bigger
picture. And if our staff do, as they are encouraged to, take this behaviour home with them, we’ve scored yet
another small win. One small win at a time equals many wins working together towards the bigger picture.

But, like any business, we know there’s still much more we can do. Whilst we have the will, and strive to push that
on a daily basis, we also need our clients and retail customers to share this vision. So pick up the phone and talk
to us. “Corporate Social Responsibility” is not something we add to our website to win new clients or appease
shareholders (we don’t need to, we’re independent). It’s something we should all be doing.

According to the Co-Operative Banks Ethical Consumerism Report 2008, ethical consumer spend in the UK
increased 15% over the last 12 months, showing that such products are not just the right thing to do, but also a
growth area for your merchandise sales. “The carbon emission of each item bought online and delivered to a
customer is 132 grams of CO2. Twenty-seven items need to be bought on a dedicated car journey to the shops to
achieve the same level of efficiency. Nine purchases need to be made to be as green as shopping online on a bus
journey.” ... Dr. Julia Edwards, Heriot-Watt University speaking at IMRG’s July 2008 OnLine Green Awards (The
OLGAs)

SUPPLY CHAIN

CONTINENTAL CLOTHING & EARTH POSITIVE

Fruit Of The Loom is committed to conducting business in accordance with the highest standards of business
ethics and human rights. The company appreciates that other countries have different cultural, legal and ethical
systems. However, the Fruit Code states that any facilities they use must always satisfy the basic requirements.

Click here to view Continental Clothing’s extensive Social Responsibility statement.

FRUIT OF THE LOOM – THE FRUIT CODE

Continental Clothing Company has been running a pro-active social responsibility programme since early 2006. All
the Company’s manufacturing facility have been audited for social compliance and are running active monitoring
programmes in accordance with standards advocated by the International Labour Organisation, the Ethical Trading
Initiative and other international bodies.

Click here to view Fruit Of The Loom’s ethical code of conduct “The Fruit Code”

GILDAN – ONE OF CANADA’S 50 BEST CORPORATE CITIZENS

In its June 22nd edition of 2009, Maclean’s magazine, presented its inaugural list of Canada’s 50 Best Corporate
Citizens, in which Gildan was included. Each of the 50 companies featured on this list was either Canadian-listed
or a wholly owned subsidiary of a foreign-listed company with significant operations or brand presence in Canada.
The 50 Most Socially Responsible Companies were selected on the basis of their performance across a broad
range of environmental, social and governance indicators tracked by Jantzi Research.

Click here to view Gildan’s extensive corporate social responsibility website

AMERICAN APPAREL – MADE ETHICALLY IN THE USAS

Within the companies business model, knitting, dyeing, cutting, sewing, photography, marketing, distribution, and
design all happen in their facilities in Los Angeles. The company operates the largest garment factory in the
United States, at a time when most apparel production has moved offshore. With recently opened stores in China,
AA are now selling Made in USA clothing in the largest consumer market in the world.

Click here to view more information on American Apparel’s Vertical Integration model

CSR POLICY
CSR POLICY

BSI MERCH CORPORATE SOCIAL RESPONSIBILITY POLICY

We all have a right to a safe and healthy work environment, a living wage, a legally binding contract. We all have a right to be free from discrimination and harassment, to join – or not to join – a labour union, to choose our work freely. We all have a right to fair and reasonable working hours. And our children have a right to go to school.

BSI Merch has adopted a Zero Tolerance policy with regard to the following minimum social responsibility criteria:

- No use of child labour
- No use of forced labour
- Safe and healthy working conditions
- Legal labour contracts
- Payment of living wage
- Freedom of association and the right to collective bargaining
- No discrimination against employees
- No excessive hours of work

BSI Merch has been running a pro-active social responsibility programme since early 2006.

ETHICAL MANUFACTURING & JUSTICE FOR WORKERS

Pressure to produce quickly increasing quantities of cheap textiles has led the apparel industry to allow some of the most unethical trade practices on the planet, worst examples include child labour – bonded child labour, excessive working hours – twelve hours a day – seven days a week, unsafe, unhygienic working conditions.

To ensure that BSI Merch does not contribute to the social injustice seen in manufacturing, commonly known as sweatshop labour, even unwittingly, we have insisted for transparency from our manufacturing supply chain and only deal with suppliers affiliated with The Fair Wear Foundation.

FAIR WEAR FOUNDATION

The Fair Wear Foundation (FWF) exists to promote fair labour conditions in the garment industry worldwide. Our suppliers have undersigned the FWF’s Code of Labour practices, and thereby have committed to monitor the factories of our suppliers, and the Fair Wear Foundation verifies that the Code of Labour Practices is implemented and respected at the factories.

Companies that become members of FWF and sign the Code of Conduct take on the obligation to adhere to the labour standards in their own business operations. They also accept the duty to do everything possible to get other companies in their chain (e.g. suppliers) to respect these labour standards.

FWF is governed by the following organisations:

- Modint (business association for manufacturers and distributors of fashion, interior design, carpets and textiles)
- CBW-MITEX (business association for retailers of interior design, fashion, shoes and sportswear)
- FNV Bondgenoten (federation of trade unions – service industry)
- CNV Dienstenbond (Christian trade union – service industry)
- Clean Clothes Campaign

Together with the Ethical Trading Initiative, the Fair Labor Association, Social Accountability International, the Workers Rights Consortium and the Clean Clothes Campaign, FWF participated in the Joint Initiative for Corporate Accountability and Workers’ Rights.

You can find out more about the International Labour Organisation, its work and the international labour conventions by clicking here

Members subscribe to the FWF Code of Conduct and accept independent verification of the implementation of the Code of Conduct. They thereby take responsibility for working conditions in the production chain.

The Code of Conduct is based on the Conventions of the International Labour Organization (ILO) and the Universal Declaration of Human Rights. The Code of Conduct for the Garment Industry incorporates the following eight labour standards:

NO USE OF CHILD LABOUR
No use is made of child labour. Employees must have completed their period of compulsory education and must be at least 15 years old. Any form of slavery or comparable practices such as the sale and trafficking of children, debt bondage, serfdom and forced or compulsory labour are out of the question. Children (in the age group 15-18) may not perform any work that, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. Conventions 138 and 182

**NO USE OF FORCED LABOUR**

No use will be made of forced labour; this includes forced labour to redeem a debt of work by jail prisoners. Conventions 29 and 105

**SAFE AND HEALTHY WORKING CONDITIONS**

Measures will be taken to ensure a safe and hygienic working environment, taking into account the available knowledge in the branch of industry and possible specific risks. Effective measures will be taken to prevent accidents and damage to health resulting from, or related to, the work. Risk factors in the work situation are to be minimised insofar as reasonably possible. Physical violence, threats of physical violence, unusual punishments or disciplinary measures and sexual or other forms of intimidation by the employer are strictly forbidden. Convention 155

**LEGAL LABOUR CONTRACT**

Employers’ obligations arising from social insurance laws and regulations applicable to a normal labour contract will not be avoided by introducing sham contracts or apprenticeship contracts where there is no intention to enter into a normal labour contract. Young employees must be given the opportunity to take part in programs of training and education.

**PAYMENT OF A LIVING WAGE**

The wages and benefits paid for a standard working week will at least match the legal minimum standards or the standards that are common for the branch of industry, and will always be adequate to meet the basic needs of the workers and their families and to provide a certain amount of disposable income. Deductions from wages for disciplinary purposes will not be permitted; deductions from wages for other purposes will only take place insofar as legally permitted. The deductions will never lead to a situation where the employee receives less than the aforementioned minimum wage. Employees are to be informed clearly and adequately regarding their wage specifications, including the basic wage and the period over which it is paid. Conventions 26 and 131

**FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING**

The right of all employees to form or join trade unions and to carry out collective bargaining will be recognised. Employee representatives are not to be discriminated against and are to be given access to all work areas necessary in the performance of their duties as representatives. Conventions 87, 98, 135 and Recommendation 143

**NO DISCRIMINATION AGAINST EMPLOYEES**

Recruitment policy, wage policy, access to training, promotion policy, termination of employment, pensions and all other aspects of labour relations are to be conducted on the basis of equal opportunities, regardless of race, colour, religion, political orientation, trade union membership, nationality, social background, disabilities or handicaps. Conventions 100 and 111

**NO EXCESSIVE HOURS OF WORK**

The hours of work will correspond to the prevailing laws and standards for the branch of industry. In no case will workers be obliged to work more than 48 hours per week on a regular basis, and they will be given at least one day off in every 7-day period. Any overtime work will be done on a voluntary basis; will not amount to more than 12 hours per week; will not be called for on a regular basis; and will always be matched by additional compensation. Convention 1

**DIVERSITY POLICY**

BSI Merch recognises its talented and diverse workforce as a key competitive advantage. Our business success is
a reflection of the quality and skill of our people. BSI Merch is committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

Diversity management benefits individuals, teams, our company as a whole, and our customers. We recognise that each employee brings their own unique capabilities, experiences and characteristics to their work. We value such diversity at all levels of the company in all that we do.

BSI Merch believes in treating all people with respect and dignity. We strive to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the company, regardless of their differences. We are committed to employing the best people to do the best job possible. We recognise the importance of reflecting the diversity of our customers and markets in our workforce. The diverse capabilities that reside within our talented workforce, positions BSI Merch to anticipate and fulfill the needs of our diverse customers, both domestically and internationally, providing high quality products/services.

BSI Merch is diverse along many dimensions. Our diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success. Managing diversity makes us more creative, flexible, productive and competitive.

RECRUITMENT

Being an international company, BSI Merch recruits people from all around the globe. We believe that our employees from many different cultural, linguistic and national backgrounds provide us with valuable knowledge for understanding complex international markets.

CAREER DEVELOPMENT AND PROMOTION

BSI Merch rewards excellence and all employees are promoted on the basis of their performance. All managers are trained in managing diversity to ensure that employees are treated fairly and evaluated objectively.

COMMUNITY

BSI Merch recognises that there are distinct demographic groups that have long been disadvantaged. We recognise that racism, ageism, sexism and other forms of discrimination are problems both for our organisation and society as a whole. BSI Merch is committed to tackling cultural stereotypes both within and outside our organisation. We have clear reporting procedures for any type of discrimination or harassment combined with follow-up procedures to prevent future incidents.

DIVERSITY BODIES

Our commitment to diversity is led by our diversity champions who come from all levels of the company, from top management to the shop floor. The diversity champions make up a diversity committee, which is responsible for ensuring that our diversity policy is articulated in the day to day running and the strategic direction of the company.

DIVERSITY PRACTICES

All employees undergo diversity training. Diversity training encompasses raising awareness about issues surrounding diversity and developing diversity management skills.

BSI Merch provides a safe and pleasant environment for our employees. We offer:

- Flexible working time arrangements
- Employee education assistance
- Employee network and support groups
- Open communications
- Childcare assistance
- Mentor programmes

ENVIRONMENTAL POLICY

BSI Merch is committed to leading the industry in minimising the impact of its activities on the environment.
The key points of its strategy to achieve this are:

- Minimise waste by evaluating operations and ensuring they are as efficient as possible.
- Actively promote recycling both internally and amongst its customers and suppliers.
- Source and promote a product range to minimise the environmental impact of both production and distribution.
- Meet or exceed all the environmental legislation that relates to the Company.
- Use an accredited programme to offset the greenhouse gas emissions generated by our activities.

**HEALTH & SAFETY POLICY**

BSI Merch is committed to preventing the accidental loss of any of its resources, including employees and physical assets.

In fulfilling this commitment to protect both people and property, management will provide and maintain a safe and healthy work environment, in accordance with industry standards and in compliance with legislative requirements, and will strive to eliminate any foreseeable hazards which may result in property damage, accidents, or personal injury/illness.

We recognise that the responsibility for health and safety are shared. All employees will be equally responsible for minimising accidents within our facilities and on our work sites. Safe work practices and job procedures will be clearly defined in the company’s Health and Safety Manual for all employees to follow.

Safety is the direct responsibility of all managers, supervisors, employees, and contractors.

All management activities will comply with company safety requirements as they relate to planning, operation and maintenance of facilities and equipment. All employees will perform their jobs properly in accordance with established procedures and safe work practices.

**QUALITY POLICY**

Our Quality Policy is defined and strongly driven by the following management principles and behaviours:

- Build a mutually profitable relationship with our customers, ensuring their long-term success, through the understanding of their needs and the needs of their customers as well.
- Achieve our commitment for quality, cost, and schedule.
- Enhance the systematic research and use of best preventive practices at all levels and ensure reliable risk management.
- Drive continual improvement and innovation based upon efficient business processes, well-defined measurements, best practices, and customer surveys.
- Develop staff competencies, creativity, empowerment and accountability through appropriate development programmes and show strong management involvement and commitment.

BSI Merch strives to be the best provider of inspection services in the industry. Through the use of these guiding principles, everyone in BSI Merch is accountable for fully satisfying our customers by meeting or exceeding their needs and expectations with best-in-class solutions and services. Our goal is 100% customer satisfaction 100% of the time.

**CLICK HERE FOR STANDARD TERMS AND CONDITIONS FOR SUPPLY OF GOODS AND SERVICES OF BACKSTREET INTERNATIONAL MERCHANDISE LTD.**