



LUCERNE INTERNATIONAL, INC. CORPORATE RESPONSIBILITY STATEMENT

SUPPLIER CODE OF CONDUCT

Introduction

Lucerne acknowledges its social responsibility in the global marketplace. That responsibility demands adherence to principles that protect the well-being of employees throughout our Supply chain. These principles span the areas of human rights, labor, the environment and anti-corruption and are accepted world-wide. They are consistent with and in some cases derived from such foundational treaties as:

- [The United Nations Global Compact](#)
- [The Universal Declaration of Human Rights](#)
- [The Global Sullivan Principles of Social Responsibility](#)
- [The United Nations Convention Against Corruption](#)

Social responsibility is an inescapable element of the long-term success of our company, just as it is for our stakeholders, business partners, employees and our customers. A plan for true sustainability requires not only good global citizenship but that we be competitive and remain so in the long term. True social responsibility is not an obstacle but an enabler to this end.

The following principles are followed by Lucerne and its Supply Chain worldwide. This documentation of Corporate Social Responsibility beliefs and expectations notifies every organization and individual in our Supply Chain that they must share in the adherence to these practices.

Human Rights

Lucerne respects and supports compliance with the internationally accepted human rights.

Forced Labor

Lucerne condemns all forms of forced and compulsory labor. Suppliers will not use forced or involuntary labor, whether bonded, prison or indentured, including debt servitude.

Child Labor

Lucerne supports the effective abolition of exploitative child labor. Suppliers will not employ individuals in violation of local mandatory school age or under the legal employment age in each country where they operate. In no case will supplier employ non-family workers under the age of 15.

Harassment and Discrimination

Suppliers will uphold equal opportunities with respect to employment and will refrain from discrimination in any form unless national law expressly provides for selection according to specific criteria. Discrimination against employees based on gender, race, disability, origin, religion, age or sexual orientation is not acceptable.



Working Conditions

Lucerne is opposed to all exploitative working conditions.

Protection of Health and Safety

Suppliers will ensure health and safety at the workplace to a level no less than required by national legislation and supports the continuous improvement of working conditions.

Compensation

Suppliers will honor the right to reasonable compensation of a level no less than the legally established minimum-wage and the local job market, based on local laws and regulations. Within the scope of national legislation, suppliers will respect the principle of “equal pay for work of equal value.”

Working Hours

Suppliers will comply with national provisions and agreements regarding working hours and regular, paid holidays.

Environment

Lucerne expects stewardship of our natural resources

Lucerne will support a precautionary approach to environmental challenges and participate in and encourage initiatives to promote greater environmental responsibility. We encourage the development and diffusion of environmentally friendly technologies.

Suppliers will comply with all applicable environmental laws and regulations and will promptly develop and implement plans or programs to correct any non-compliant practices.

Corruption and Ethics

Lucerne will work against corruption in all its forms, including extortion and bribery.

Lucerne, nor any of its associates/employees, will not offer or take receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or breach of trust, in the conduct of the enterprise’s business, even in areas where it may be tolerated.

Lucerne strictly adheres to all local and applicable laws and regulations and requires its suppliers to act in a similar manner.

Lucerne expects business decisions to be made in the best interest of the Company. Any situation that creates or appears to create a conflict between personal interests and the interests of Lucerne must be avoided.

Conflict Minerals Policy

Lucerne supports ending the violence and human rights violations in the mining of certain minerals from a location described as the “Conflict Region”, which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries and is committed to the following:

Lucerne supports the aims and objectives of the U.S. legislation on the supply of “conflict minerals”. As defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Lucerne will not knowingly procure specified metals that originate from facilities in the “conflict region” that are not certified as “conflict free”.

Lucerne will ensure compliance with these requirements, and ask our suppliers to undertake reasonable due diligence with their supply chains to assure the same.

Suppliers

Lucerne expects its suppliers to introduce and implement equivalent principles in their own companies and their own supply chains. Suppliers will train their employees regularly on these standards. They must incorporate these principles as a basis for relations with Lucerne

Suppliers must comply with all applicable laws and regulations. In this Supplier Code of Conduct, “applicable laws and regulations” include national and local laws, rules, codes and regulations as well as applicable treaties.