

SUPPLIERS CODE OF CONDUCT

INTRODUCTION

BRANDART believes that ethics, integrity, transparency and commitment are the basis and the foundation to build success. BRANDART abides by moral and ethical values in the management of the company, and comply and act in accordance with applicable standards, law and regulations in force in any context in which it operates, both at national and international level. It also abides to the guiding principles of the Organization for Economic Co-operation and Development (OECD), to conventions of the International Labor Organization (ILO), the SA8000 Standard, the Universal Declaration of Human Rights, the principles of the UN Global Compact initiative and the UN Sustainable Development Goals for Agenda 2030.

BRANDART expects its suppliers to adhere to the same philosophy in the management of their own companies, therefore requires them to respect the ethical principles presented in this Supplier Code of Conduct (hereinafter the “Code”) and to ensure that their own suppliers and subcontractors (hereinafter the “Suppliers”) do the same.

Suppliers are required to comply with the laws, regulations and usual practices in their own countries. Where applicable laws and the Code address the same issue, the highest standards or most restrictive provisions shall apply. Where the Code is in contradiction with the applicable law, the applicable law shall apply.

Suppliers remain guarantors towards BRANDART for work performed by their subcontractors and suppliers and guarantee respect by their subcontractors and suppliers of this Code and relevant obligations.

Suppliers are encouraged to adopt their own code of ethics, certifications and/or standards for processes and/or materials (where these are available and internationally recognized) in order to ensure compliance with the Code.

EMPLOYMENT CONDITIONS

Working Hours: In relation to working hours and overtime, Suppliers shall comply with the limits set by the laws of the country where the work is carried out. Suppliers may not impose excessive overtime, working hours and rules shall be established by written contract with the employee. The total number of hours worked per week shall comply with the law, and at least one day off following every six consecutive days of working must be granted.

Freedom of Association: Suppliers shall respect and recognize the right of each employee to negotiate collectively, to create or join the union organization of their choice and without penalty, discrimination or harassment.

Discrimination: Suppliers shall treat all employees equally and fairly, and not practice any kind of discrimination in relation to hiring, equality of remuneration, access to training, promotion, benefits or dismissal based on gender, race, religion, age, disability, sexual orientation, political opinions, nationality, or social or ethnic origin.

Wages and Benefits: As a minimum, Suppliers shall correspond regular wages, pay for overtime at the legal rate imposed by the country where the work is carried out, and provide their workers with the benefits the law currently requires. If there is no legal minimum wage or overtime pay in the country, Suppliers shall

ensure that wages are at least equal to the average minimum in the industrial sector and that overtime pay is at least the same as the usual rate of pay. Salary withholdings for disciplinary purposes shall not be allowed.

Forced Labor: The use of forced labor by Suppliers, whether obtained under the threat of punishment, withholding identity papers, requiring workers to pay “deposits” or any other constraint is strictly prohibited.

Illegal, clandestine and undeclared employment: Suppliers are required to comply with all applicable regulations to prevent illegal, clandestine and undeclared employment.

Child Labor: Work by children under the age of 16 is strictly prohibited. In countries where local laws set a higher age for child labor or set an age for completion of compulsory education higher than 16, the highest age is applicable.

Young workers: An employee younger than age 18 is consider young worker. Suppliers shall not expose young workers to any situations, which are hazardous or unsafe to their physical and mental health and development. Young workers may not work during night hours.

Harassment and Abuse: Suppliers shall treat their employees with respect and dignity, and not allow or engage in any kind of corporal punishment, psychological or physical harassment or any other kind of abuse.

ENVIRONMENT, HEALTH & SAFETY

Environment: Suppliers shall ensure their activities are carried out in full compliance with all applicable environmental laws and regulations, assess their environmental impacts and define strategies to reduce as much as possible the related negative impacts. Moreover, while conducting their business Suppliers shall:

- improve continuously the environmental performance of their sites and production resources, in particular through proper waste management, elimination of air, water and soil pollution, reduction of greenhouse gas emissions with an emphasis on use of renewable energies, reduction of water and energy consumption and safe management of hazardous chemicals;
- implement measures to preserve biodiversity and guarantee regulatory traceability and compliance for raw materials and chemical substances used;
- implement best practices across their supply chain to respect animal welfare;
- ensure that staff whose work has direct environmental impact are trained, skilled and have the resources required to effectively perform their work.

Health and Safety: Suppliers are expected to provide their workers with a safe and healthy workplace environment in order to avoid accidents or bodily injuries which may be caused by, related to, or result from their work, including during the operation of equipment or during work-related travel. Suppliers are expected to set up procedures and trainings to detect, avoid and mitigate as much as possible any hazards that constitute a risk to the health, hygiene and safety of staff. They are required to comply with all applicable local and international regulations and laws in this regard. These same principles are applicable to housing provided by suppliers.

WORKING METHODS

Business approach: Suppliers shall conduct their business according to criteria of legality, professional integrity, transparency, diligence, and fair competition.

Legal Requirements: Suppliers shall act in full compliance with local, national and international laws in the conduct of their business.

Confidentiality and intellectual property: Any information (project, document, sample, prototype, etc.) brought to the Supplier's knowledge for the fulfillment of its contractual obligations with BRANDART, should be considered as confidential and treated as such. The service fulfilled by the Supplier for the benefit of BRANDART shall not give the Supplier any kind of intellectual property rights on logos and creations received by BRANDART, specifically but not limited to drawings, products, prototypes, samples, projects, plans, equipment, pictures, norms, and tools. The use of such elements out of the strict frame defined by BRANDART would constitute an offense of infringement of patent and give rise to civil and/or criminal proceedings.

Brand protection, mold and printing tool management (WHERE APPLICABLE): Suppliers shall not use any logo belonging to BRANDART or its customers, provided by BRANDART to accomplish a production order or a service, for any other uses but the ones agreed with BRANDART. It is strictly prohibited to subcontract the logo printing process and any branded component or semi finished part of the product without a prior authorization from BRANDART. Any defective quantity of finished or semi-finished products carrying a logo must be destroyed at the presence of BRANDART or a Third Party accredited by BRANDART. Suppliers must grant a safe custody of any mold, logo printing tool, drawings, graphic files, sketches keeping an update stock record. Any exceeding quantity of finished product must be communicated in written to BRANDART purchase Dept. who will instruct on how manage it.

Quality Standards: Suppliers shall share BRANDART's commitment to provide high quality products that meet customers' requirements. We encourage initiatives in training, technology and best practices for aiming at continuous improvement. Suppliers shall be able to demonstrate and implement effective corrective actions in case anomalies / non-conformities are detected.

Prevention of conflicts of interest: Suppliers shall comply with all applicable laws concerning conflicts of interest and to make every effort to prevent the occurrence of situations that create a conflict of interest within the scope of their business relationship with BRANDART.

Anti-Corruption: Suppliers shall agree to condemn and act against corruption in all its forms, including extortion and racketeering. Suppliers shall not offer, directly or through an intermediary, money or any other advantage of any kind to a third party, and shall not seek or establish personal relationship of favor, influence, intrusion with the objective to condition directly or indirectly the business activity.

Customs and Security Authorities (WHERE APPLICABLE): Suppliers shall comply with applicable customs law, including those relating to importing and exporting and the ban on the transshipment of merchandise into the country of import and export.

Subcontractors (WHERE APPLICABLE): Suppliers must receive BRANDART approval before subcontracting any part of the manufacturing process. The approval is subject to the acceptance by the subcontractors of this Code and all other applicable conditions.

Information transparency: Suppliers are required to provide clear and accurate information regarding the methods and resources used, production sites and characteristics of the products or services supplied, and to refrain from making any misleading claims.

CONFLICT MINERALS (*WHERE APPLICABLE*)

BRANDART supports a policy of prohibiting the use of tantalum, tin, tungsten, and gold, whose extraction or trade supports conflict in the Democratic Republic of Congo or adjoining countries, and/or contributes to inhumane treatment and war crimes in the region (metals containing "Conflict Minerals").

Suppliers shall check their supply chain for the presence of "Conflict Minerals" in purchased products and shall promptly respond to BRANDART surveys on this topic. If "Non-Conflict Free Minerals" metals are used in any material, part or component sold to BRANDART, the Supplier shall implement appropriate actions to make the material, part or component "Conflict Free".

More information is found here: <https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>

TIMBER PRODUCTS (*WHERE APPLICABLE*)

BRANDART supports a policy of sustainability in the exploitation of forest resources. Illegal timber harvesting is a problem of international concern.

BRANDART expects its Suppliers to verify their supply chain, ensure the legal origin of the timber contained in the products supplied to BRANDART, and cooperate in gathering the following information, anytime this will be requested:

- supply-chain Company names
- tree species the products derive from, and country of origin of the harvested wood
- documentation of the rights to harvest timber within the officially recognized territorial boundaries
- payments made in relation to the rights to harvest timber, including harvest taxes
- documentation relative to the products transport, wood processing, sales and customs clearance.

Any information received from the Supplier will be kept utter confidential and will be shared only to relevant Authorities in case of compliance verification audits.

INSPECTION AND AUDIT (*WHERE APPLICABLE*)

Inspection: BRANDART reserves the right to check adherence to the principles of this Code and to conduct compliance audits, also unannounced. Suppliers shall grant access to BRANDART's representatives, and agree to correct and improve any detected issue or deficiency.

Access to information: Supplier shall keep proper records to prove compliance with this Code, and provide access to complete, original, and accurate files to BRANDART's representatives.

CODE OF CONDUCT ACCEPTANCE DECLARATION

Dear Supplier,

BRANDART has agreed to respect ethical values in the management of the company. We expect our suppliers to share the same philosophy and respect the same values.

Therefore, the CEO or General Manager of your company is invited to fill the below information, sign this letter and return it to BRANDART, this confirming the understanding of the content of this Code of Conduct and the agreement to undertake its obligations.

Any breach of this Code by your Company or your subcontractors (*WHERE APPLICABLE*) will result in a review and possible termination of the business relationship in conformity with applicable law. BRANDART shall have the right to seek reasonable redress for any loss caused by false or missing information.

BRANDART requires all its suppliers to comply with the social responsibility requirements set out in chapters from 1 to 8 of the international standard SA 8000, available at <http://www.sa-intl.org>.

We invite you to read them.

Company: _____

Date: _____

Name and title of the signatory: _____

Company stamp and signature: _____