

## CODE OF CONDUCT FOR SUPPLIERS

Responsibility is an essential part of Mastermark's business. Mastermark's responsibility program is based on the principle of continuous improvement, and new activities are added to the program regularly. Our responsibility actions are guided in our daily work by our environmental policy (ISO14001:2015), our quality guidelines (ISO9001:2015), our occupational health and safety guidelines (ISO45001:2015) and our principles related to social responsibility.

The development of Mastermark's responsibility work is guided by the requirements set by society, our stakeholders and the business environment, commitment to international human rights principles and valuing and respecting employees and stakeholders.

Mastermark Oy is committed to exemplary social and ethical behavior and we believe that we are globally responsible for every person who participates in the production of our products and services. Mastermark is a member of amfori BSCI, founded by the Foreign Trade Association. Mastermark's Code of Conduct is based on amfori BSCI's ethical guidelines. In addition to the principles of the Code of Conduct, we comply with valid laws and regulations in all our activities. The Code of Conduct creates the basis for working in accordance with the values.

### Ethical policy

Mastermark's most important task is to develop and maintain a financially stable and successful business. Mastermark complies with international and national laws and regulations in all its operations. Operations are also guided by international agreements, recommendations and initiatives, such as the UN Declaration of Human Rights and the Convention on the Rights of the Child, the ILO Convention on Basic Rights at Work, the UN Global Compact principles, the amfori BSCI operating principles, the Ethical Trade Initiative's Base Code.

### Implementation

Due to diverse nature of our business, which involves global sourcing, there are many requirements which we purchase directly from factories in both high and low risk countries (amfori BSCI definition) in addition to small urgent requirements where we purchase from local wholesalers and use local printers and embroiders. On this basis we need to have a multi-tiered strategy for implementing our Ethical Policy, which is controlled through our preferred supplier network.

For suppliers based in High Risk countries

Mastermark requires its contract suppliers to have a third-party audit performed within amfori BSCI or Sedex.

## For suppliers in Low Risk countries

Mastermark requires its contract suppliers to commit to Mastermark's operating principles with their signature. The suppliers are responsible for their own supply chains that any third parties meet the requirements of the guidelines. Deviations and violations must be reported to Mastermark in writing without delay. The supplier must demonstrate they are implementing the Ethical and Environmental Policy with any third-party suppliers. There are three options for demonstrating implementation:

- Third party independent auditing
- Internal auditing if thorough and established procedures are in place
- “Self-certification” for factories in Low Risk Countries.

Mastermark recommends that local suppliers and subcontractors operating in Finland join the Trusted partner program. If the supplier or subcontractor has not joined the Trusted partner program, the supplier or subcontractor must always provide Mastermark with documents according to the Customer Liability Act when requested.

Mastermark has the right to audit the activities of the supplier during the cooperation.

## Human rights

Mastermark respects human rights in its operations and we require that employers respect basic human rights, treat their employees fairly and respectfully. In all our activities, we strive to ensure that we do not violate human rights. Mastermark expects its suppliers to comply with the regulations of the ILO Convention on Basic Rights at Work, UN Declaration of Human Rights and the Convention on the Rights of the Child and Ethical Trading Initiative (ETI).

Mastermark does not accept child labor or forced labor in any form. Mastermark expects safe and hygienic working conditions for its employees from its suppliers. Potential hazards must be taken into account in the work environment, employees must receive regular training and sanitary facilities for employees must be clean and have access to clean water.

Employees must be paid a salary that, together with benefits, must at least meet national standards. The salary must be enough to cover basic needs. Employees must always be given written information in a comprehensible form about the working conditions regarding salary.

Working hours must comply with national laws and industry benchmarks, whichever provides better protection. Under no circumstances may employees be regularly required to work more than 48 hours per week and must be given at least one day off for each 7-day period. Overtime must be voluntary, no more than 12 hours per week, it must not be required regularly, and overtime compensation must always be paid for it.

Discrimination is not accepted in any form in hiring, compensation, training, promotion, dismissal or retirement.

Physical abuse or discipline, threats of physical abuse, sexual or other harassment and other threats or abuse are prohibited.

The provisions of this code constitute minimum and not maximum standards. All companies applying this code are also expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

## Environmental Policy

Mastermark's environmental work is ISO14001:2015 certified and is based on environmental policy and strategy. Mastermark is committed to complying with environmental legislation and official regulations and is committed to minimise the climate change and protecting the environment in its own operations. Mastermark's goal is to manage and minimize the environmental impacts caused by business, and operations are constantly being developed. Mastermark takes environmental issues into account when purchasing products and services for its own use, in the supply chain, and offers its customers sustainable products as part of the selection.

Mastermark calculates the carbon footprint of the products it offers in order to reduce scope 3 category greenhouse emissions, as well as to be able to compare different options and thus to give its customers the opportunity to choose suitable products based on their own needs.

In addition, one important goal of the calculation is to enable carbon neutrality of the products by using the results as a basis for compensation measures. The Life Cycle Analysis used by Mastermark is a method that aims to evaluate the environmental impact of a product throughout its life cycle, starting from extraction, conversion to fit the intended use, production, packaging, delivery and use until the end of the product's life.

We expect our suppliers to commit themselves to restrain climate change by minimising their negative environmental impact on land, water, biodiversity, climate and air and managing any waste according to applicable laws and the manufacturer's instructions. The suppliers are obliged to demonstrate their environmental acts upon request from Mastermark.

## Product safety

The suppliers are expected to ensure that its products are safe for the use they are meant for. Certificate of Conformity is a mandatory document for products that European Union has set such requirements. Mastermark sends the EU Certificate of Conformity to Supplier and Supplier is expected to fill the Certificate and send it back to Mastermark within 2 working days.

## Whistleblowing

Mastermark has set up an anonymous whistleblowing channel to recognize breaches of these principles. The whistleblowing channel is found in [www.mastermark.fi/en/whistleblowing](http://www.mastermark.fi/en/whistleblowing).

Turku, 31.1.2024



Lauri Honka, CEO

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Supplier's signature