



CODE OF CONDUCT

Environmental and Social Responsibility Policy (RBC)

rev. 01 - 11/11/2024

INTRO

Master Italia firmly believes in a sustainable and circular economy that combines economic growth with the protection of the environment and society. Against this background, Master Italia is committed to guaranteeing an ethical and responsible production chain that respects international labour standards (as defined by the Conventions of the International Labour Organisation and the United Nations) as well as local laws.

This Code of Conduct for Suppliers outlines the minimum standards that Master Italia requires of its suppliers and business partners. This document is an integral part of the contract between Master Italia and its suppliers and/or business partners and must be considered as a primary instrument of collaboration between the parties.

This Supplier Code of Conduct applies to and must be complied with by all direct suppliers and business partners (Tier-1) of Master Italia.

Direct suppliers and business partners of Master Italia must communicate this Code of Conduct to their suppliers and partners, requesting compliance with the principles, values and requirements contained herein.

SAFEGUARD CLAUSE

Depending on local practices and legislation, Master Italia's suppliers and business partners may implement more detailed and restrictive requirements to comply with applicable local regulations.

If suppliers and business partners operate in a country that does not adhere to ILO (International Labour Association) standards, Master Italia reserves the right to request proof of compliance with ILO standards.

REQUIREMENTS

CHILD LABOUR

There must not be, nor must support be given to, the use of child labour, meaning any work performed by a child under the age of 15 or under the minimum age for completion of compulsory education, whichever is higher.



"Young workers", i.e. workers under the age of 18, must not be employed at night or in dangerous conditions.

FORCED LABOUR

There must be no forced labour, and no support for forced labour, the use of forced or compulsory labour (including prison labour), nor trafficking in human beings.

No worker may be forced to work by force or intimidation of any form, either as a means of political coercion or as punishment for expressing political opinions.

Workers' original identity documents should not be withheld, nor should workers be required to pay deposits at the beginning of employment. Workers shall have the right to leave the workplace at the end of the working day and shall be free to terminate employment in accordance with local laws.

PROTECTION OF VULNERABLE WORKERS

Effective measures must be implemented to protect migrant workers and workers belonging to ethnic and religious minority groups from any form of discrimination and to provide adequate support services where needed.

All employment contracts must be written in a language understood by the employee, to ensure that all terms and conditions of employment are fully understood at the beginning of the employment contract.

ENSURING EQUAL TREATMENT FOR IMMIGRANT WORKERS

The company refrains from engaging in discriminatory practices against immigrant workers compared to local workers. It does not withhold travel documents from immigrant workers and provides them with a written employment contract in a language that is understandable to them, containing clear information on the terms and conditions of employment. In cases where the company provides such workers with food, lodging, transportation, or other services, these must be offered at a rate not exceeding the market rate.

ANTI-DISCRIMINATION

There must be no discrimination in recruitment, remuneration, access to training, promotion, termination or retirement, on the basis of race, ethnicity, national, geographical or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, trade union membership, political opinion, age, or any other condition which might give rise to discrimination.

ACHIEVING GENDER EQUALITY

The company provides equal opportunities for all individuals, regardless of gender, gender identity, and sexual orientation, in all aspects of training and professional and personal development. The company is committed to achieving gender equality through fair, just, and transparent recruitment, promotion, and compensation practices. The company protects pregnant women, mothers, and their children—along with their health and safety—as well as workers with family responsibilities, from discrimination, dismissal, and career slowdowns.



ENSURING EQUAL TREATMENT FOR HOME-BASED WORKERS

The company refrains from engaging in discriminatory practices against home-based workers compared to those working at company facilities. The company is committed to offering home-based workers the same protections and treatment as those provided to workers at company facilities.

ABUSE AND HARASSMENT

All workers must be treated with dignity and respect. Corporal punishment, physical or mental coercion or verbal abuse of staff shall not be used. Harsh or inhumane treatment is not permitted.

TRADE UNION FREEDOM

The right of every worker must be guaranteed, without distinction, to join a trade union or form a trade union of his or her choice and/or to participate in collective bargaining.

There must be no discrimination against workers' representatives and the right to have them perform their representative functions in the workplace must be guaranteed.

Where freedom of association and the right to collective bargaining are restricted by law, the employer must facilitate, not hinder, the development of parallel means for free and independent association and bargaining.

REMUNERATION

The workers' right to a decent wage must be guaranteed, and the wages paid must always correspond at least to legal standards, industry minimum standards, or collective agreements (where applicable).

All overtime work must be paid with a premium, as defined by national law or collective bargaining.

Prior to employment, all workers must be provided with clear information in writing regarding their pay, as well as information on the details of their pay for the period in question whenever they are paid.

WORKING HOURS

Applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and holidays must be respected.

Overtime must be worked on a consensual basis by the employee. The use of overtime should be done responsibly and there should be no use of overtime on a regular basis.

All workers must be guaranteed at least one day off after six consecutive days of work.



EMPLOYMENT CONTRACTS

Employment relationships established must be recognized and set in accordance with national legislation and international labor standards. There must be no use of labor-only contracts, subcontracting, home-based work agreements, apprenticeship programs that lack a genuine intent to impart skills or provide regular employment, or excessive use of seasonal or fixed-term contracts for the purpose of circumventing obligations towards employees under labor laws or social security regulations arising from regular employment relationships.

HEALTH AND SAFETY

A healthy and safe working environment must be ensured, taking into account the prevailing state of knowledge in the sector and any specific risks.

Appropriate measures must be taken to prevent accidents and damage to health arising out of, related to, or occurring in the course of work, in order to reduce, as far as reasonably practicable, the causes of risks inherent in the working environment.

Regular and effective health and safety training must be provided to all staff.

Workers must have access to clean drinking water and sanitary facilities. If applicable, sanitation facilities where food can be consumed and/or stored should be provided.

Where provided, dormitories must be hazard-free, clean and hygienic, and adequate for the basic needs of workers. This requirement applies regardless of whether such premises are owned, rented, contracted or owned by the service provider.

ENVIRONMENT

All applicable local environmental protection laws relating to air, water and soil emissions, waste management, chemical storage and disposal, water consumption and waste water disposal, energy use must be complied with.

MONITORING AND REDUCING ENERGY AND WATER CONSUMPTION

The company is committed to collecting data on energy and water consumption and setting and achieving consumption reduction targets. Additionally, where possible, it is committed to increasing the use of renewable energy sources.

MONITORING AND PROPERLY DISPOSING OF WASTEWATER

The company is committed to collecting data on the volume of wastewater potentially generated by its activities and ensures that such wastewater receives proper treatment before entering the water flow to meet minimum requirements set by national or local laws, or by the chosen standard if it is more stringent.



MONITORING ATMOSPHERIC GAS EMISSIONS

The company is committed to identifying greenhouse gas emission sources in the atmosphere and collecting data on these emissions for monitoring purposes. Additionally, the company is committed to identifying measures to reduce these emissions as much as possible.

TRANSPARENCY AND TRACEABILITY

A system should be implemented to allow traceability of raw materials (in particular for raw materials with multiple environmental and social risks such as cotton) along the supply chain.

WHISTEBLOWING

A complaints and whistleblowing system should be implemented to allow any worker, anonymously, to report human rights issues (e.g. child labour, forced labour, human trafficking, freedom of association), labour law or other related issues, e.g. management of environmental impact or corruption. All reports should be handled in a documented, timely and thorough manner.

It must be communicated, within the workplace and to all workers, that any reports related to human rights (e.g. child labour, forced labour, human trafficking, freedom of association), labour law or other critical issues related, for example, to the management of environmental impacts or corruption phenomena can be directly forwarded to Master Italia at the following contact: sustainability@atlantisheadwear.com. Master Italia guarantees that any issue that may be raised will be handled with due confidentiality and diligence.

LIABILITY AND SYSTEM OF SANCTIONS IN THE EVENT OF NON-COMPLIANCE WITH THE REQUIREMENTS OF THIS CODE OF CONDUCT

If the principles of the code are not respected by the suppliers and business partners of Master Italia, or by any of its collaborators, Master Italia has the right to withdraw from the purchase contract with immediate effect from the date of receipt of the communication. Master Italia will also be able to claim compensation for any damages incurred and/or to be incurred.