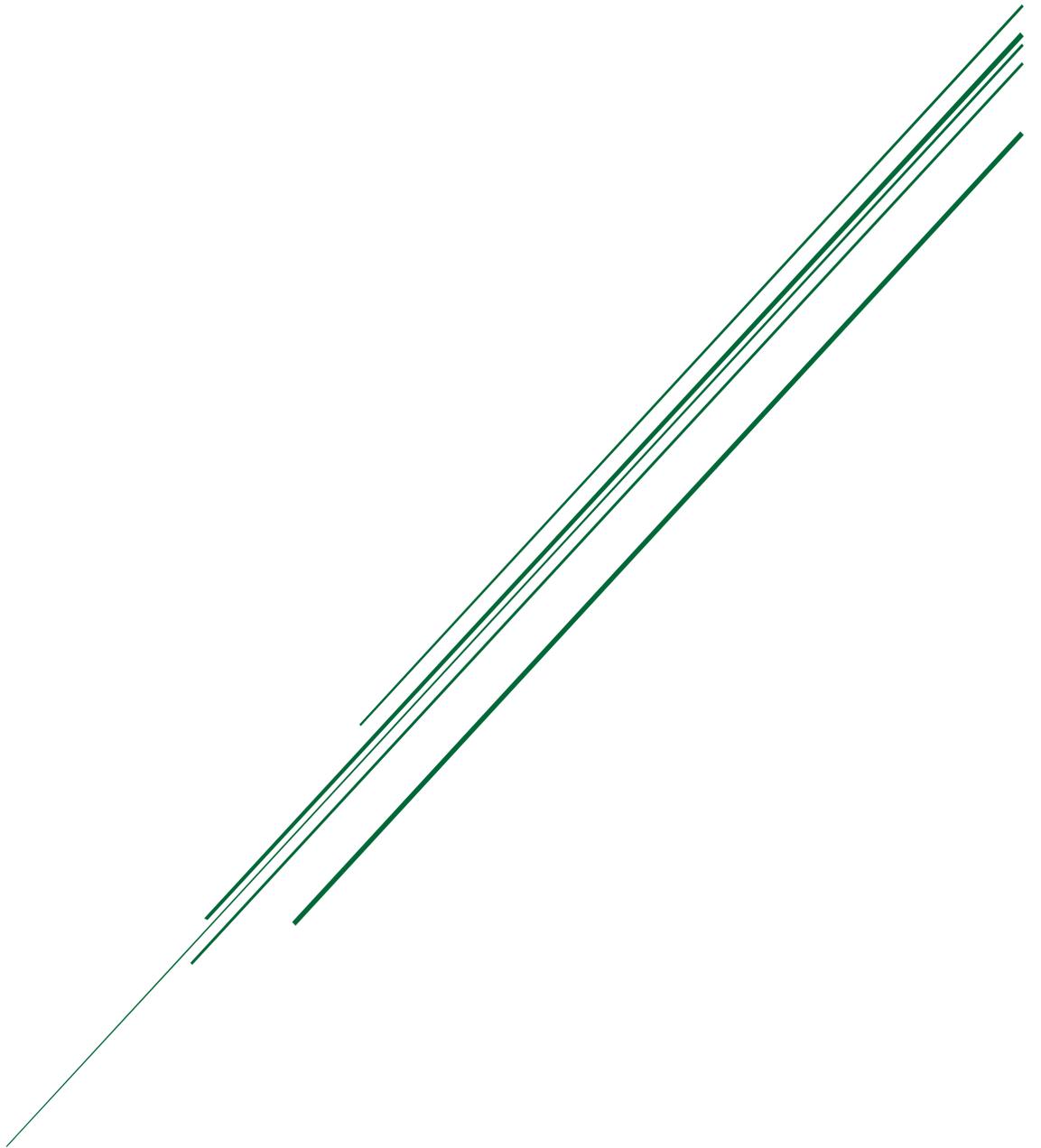


SUPPLIER MANUAL



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1. PURPOSE OF THE MANUAL

The purpose of this Manual is to ensure S.I.C.I. 93 BRAGA – Sociedade De Investimentos Comerciais E Industriais, S.A., henceforth referred as SICI 93, current codes, policies, and requirements are clearly communicated and understood by suppliers for our mutual advantage. As such, we request our suppliers to familiarize themselves with the contents of the Manual and to ensure that its contents are communicated to all relevant parties within their organisation. If any clarification regarding the content of the Manual is required, the supplier should not hesitate to contact our team.

Close partnership relations with our suppliers are intrinsically essential to SICI 93 and equally important to our success.

Please sign the Statement below, acknowledging that you have read, understood, and agreed to the content set forth in the Manual and send it to our team.

Statement

I have read SICI 93's Supplier Manual and confirm that I accept all conditions stated in said documentation.

Signature

On behalf of:

Supplier's Name

Date:

REVISIONS LIST

Version	Revision Content	Date	Approval
01	Initial drafting.	18/01/2021	General Management

2. CODE OF CONDUCT

SICI93 declares its strict adherence to the respect of human rights, core labour standards and environmental protection. We share with our partners and clients the common goal of and commitment to high social, ethical, and environmental standards.

The following commitments shall be set by this Code of Conduct:

- Respectful and equal treatment of all members of the workforce.
- Support and protection of international human rights by creating ethical workplace conditions for all members of the workforce.
- Freedom of association and effective recognition of the right to collective bargaining and the right to join unions or other industry related associations.
- No child labour and excessive overtime.
- Comprehensive measures for safe and healthy workplace conditions and assembled products.
- Development and use of environmentally friendly technologies and products.
- Measures regarding efficient use of resources and progressing towards green chemistry.
- Responsible waste disposal and support of a precautionary approach to environmental challenges.
- Fair business behaviour and practices through the prevention of bribery and any causes of corruption.
- Business practices governed by integrity, honesty, fair dealing and full compliance with all legal requirements and the criteria of the six STeP by OEKO-TEX® modules.
- Wages cover all basic needs and expenses of the workforce.

3. SUSTAINABILITY POLICY

Through this Policy we adopt a set of commitments that guide our activities of development, manufacture, and supply of garments for the purpose of creating value to customers and shareholders, whilst guarantying safe and healthy work conditions, social equity and environmental responsibility.

Thus, in all our activities, products, and services we commit to:

- Guide all our efforts to meet and exceed customer requirements and expectations, offering high added value, sustainable, differentiated, and innovative solutions to ensure customer loyalty.
- Guarantee top management commitment to provide a framework for setting and attaining strategic objectives, engage workers through qualification and training, promote and share best practices-based knowledge.
- Promote Integrated Management Systems continuous improvement, ensure its evaluation and adopt a process-based risk approach.
- Comply with legal and other applicable requirements, collective bargaining agreements, as well as the ETI Base Code, ILO Conventions and other international Human Rights pacts and covenants we adhere to.
- Provide safe and healthy workplaces, prevent work-related injury and ill health by promoting occupational health and safety, ensuring hazard elimination and risk reduction. Consult and involve workers and/or their representatives.
- Protect the environment, biodiversity, and ecosystems, prevent all forms of pollution by promoting the sustainable use of resources and pursue climate change mitigation and adaptation actions.
- Improve our environmental performance throughout the supply chain and product lifecycle, encouraging water and energy use efficiency, the elimination of hazardous chemical substances, wastewater treatment improvements ensuring traceability and reducing environmental impacts.
- Assume the responsibility of the impacts of our decisions, activities and products, promote ethical conduct, transparency and fair practices and ensure stakeholders needs and expectations are continually meet.
- Encourage an inclusive work environment, based on the principles of respect for human dignity and equality of opportunities and fight all forms of discrimination and harassment.

- Establish mutually beneficial partnerships with stakeholders with the aim of improving organizational governance, community involvement and development in the context of sustainable development challenges.

We believe we should actively engage stakeholders in the apparel and textile industry encouraging sustainable development practices.

4. SUPPLIER EXPECTATIONS

Our suppliers are expected to mirror the standards and values of SICI 93, since we believe that it is through cooperation and transparency that lasting, valuable and successful partnerships are created. In this way, we considered the following parameters as critical for the development of such partnerships:

- Quality.
- Compliance with delivery deadlines.
- Price.
- Our client's brand protection.
- Service and management responsiveness.
- Sustainability.

5. SUPPLIER EVALUATION

Aiming to ensure continuous improvement and closer trade relations with our partners, within our Integrated Management System scope, SICI 93 conducts an annual supplier assessment, for which it has defined valuation parameters. The assessment is based on the criteria described below and is carried out according to the type of supplier that can be classified in the following categories: Product Suppliers, Service Providers and Subcontractors.

Valuation Parameters for Product Suppliers and Service Providers:

- a) Compliance with Delivery Deadlines (CDD)
- b) Product or Service Quality (QUAL)
- c) Agreed Quantities or Specifications Compliance (QTT)
- d) Price (P)

Valuation Parameters for Subcontractors:

- a) Compliance with Delivery Deadlines (CDD)
- b) Product or Service Quality (QUAL)
- c) Agreed Quantities (QTT)
- d) Price (P)
- e) Sustainability (S)

Each of the parameters is scored considering four classification levels (1 to 4).

Considering the classification levels, the Supplier Qualification Index (SQI) is calculated using the following formulae:

1. Product Suppliers and Service Providers:

$$SQI = 20\%CDD + 50\%QUAL + 20\%QTT + 10\%P$$

2. Subcontractors:

$$SQI = 17,5\%CDD + 47,5\%QUAL + 17,5\%QTT + 7,5\%P + 10\%S$$

The result will translate in the following terms:

SQL (%)	Classification obtained	Decision
≥ 80	A Very good	Inclusion
≥ 50 < 80	B Medium	Inclusion
< 50	C Weak	Exclusion under management decision

6. INTELLECTUAL PROPRIETY

SICI 93 is committed to protecting the Intellectual Property (IP) rights of its customers, including trademarks, brand names, logos, copyrights, and design rights and expects its suppliers to adopt the same level of commitment. The use of our clients' IP must be carried out in a safe manner and that guarantees the protection of IP and clients.

SUPPLIER'S ROLES AND RESPONSIBILITIES

- Ensure separate storage for IP items on your premises (preferably closed cabinets) with CCTV surveillance at entry and exit, whenever required by our clients.
- Limit access to the above items.
- Keep records of incoming and outgoing PI items from storage (e.g.: type, quantity, responsible), whenever required by our clients.
- Off-cuts and trims on factory floor must be collected daily and stored in a safe place until disposal, where required by our clients.
- Suppliers must be available for inspection upon request from our clients or their authorized agents.
- Suppliers are prohibited from using any IP item to produce items other than for our clients' production.
- Suppliers are prohibited from selling unauthorized productions, finished products or raw materials incorporating our clients' IP.
- Suppliers must immediately notify SICI 93 in case of theft or loss of IP items from our clients.
- If SICI 93 ceases to work with a supplier, the supplier must declare and deliver all PI items of our clients.
- Suppliers must be aware of and understand the specific IP requirements of our clients for whom they make productions.

NON-EXHAUSTIVE LIST OF ITEMS INCORPORATING OUR CLIENTS' IP

- Raw Material: Fabrics.
- Trims: all hardware, buttons, snaps, hook and eye, fasteners, leather patches.
- Labels.
- Swing tickets.
- Hang-tags.
- Samples, prototypes, drawings, moulds.
- Finished product.

Suppliers may not advertise their relationship with any of our clients or use any type of our clients' IP on their websites, promotional materials, or trade fairs.

7. ANTI-BRIBERY AND CORRUPTION POLICY

STATEMENT OF COMMITMENT

Corruption and bribery are major global challenges posing serious obstacles to sustainable development and people's well-being.

Not only do they have a negative impact on society, affecting the growth and prosperity of communities, but they can also cause serious financial and reputational damage to businesses that may incur civil and criminal liability, penalties and lose their license to operate.

We are committed to conduct our activities fairly, honestly, and transparently and to adhere to the highest standards of ethical conduct in strict compliance with applicable legal and regulatory requirements, as well as our clients' requirements and the initiatives we voluntarily subscribe to.

OBJECTIVE, SCOPE AND RESPONSIBILITIES

The Organization has an attitude of zero tolerance regarding bribery, corruption, and facilitation payments.

We have decided to adopt and implement an Anti-corruption and Bribery Policy, "Policy" to prevent and mitigate the risk of corruption and related practices, reaffirming our commitment to contribute to the fight against corruption in all its forms including extortion and bribery.

This Policy applies to all employees and members of the Management Board of the Organization and its Partners, regardless of their link and geographical location.

The Management Board shall be responsible for the implementation of this Policy and its adopted implementing measures.

DEFINITIONS

Conflict of Interests

Situation which occurs when a person faces a choice between professional duties and his or her personal interests, jeopardising his or her objectivity.

Thing of Value

Anything, monetary or otherwise, that benefits the person including but not limited to favours, loans, payment of expenses or debts, discounts, gifts, entertainment, drinks, meals, travel, and hospitality.

Corruption

The offer, promise, solicitation or acceptance of anything of value, monetary or not, motivated by the practice or omission of acts.

Bribery

Accept or offer anything of value with the intention of obtaining a deal or advantage illegitimately.

Facilitation Payment

Promise, offer, or pay anything of value to ensure the carrying out of action or expedite a procedure.

Partner

Supplier of products, services, subcontractors, other natural or legal persons having a commercial relationship with the Organisation.

DUTY TO ACT

Bribery and corruption can have very serious consequences including damage to reputation, legal proceedings and massive financial losses even if the Organisation is not aware of such activities.

Accordingly, all business must be conducted in accordance with this Policy.

Prohibited Activities

- Promise, give, or accept any kind of bribe regardless of its form, value, and local customs.
- Solicit, offer, or receive, directly or indirectly, money or anything of value for the purpose of influencing any act or decision, securing, or hiring businesses.
- Make, offer, or authorize payments for facilitation to civil servants or private enterprises with the intention of ensuring or accelerating the execution of an action.
- Obtain confidential information about competitors' business opportunities, offers or activities.
- Encourage or coerce a worker to commit or omit an act in violation of his legal and ethical duties.

Gifts, Hospitality, and Entertainment

The Organization strongly advises not to offer or receive gifts and hospitality.

Recognising, however, that they are sometimes appropriate and necessary for the development of good trade relations, this practice should be guided by the highest standards of ethics and transparency.

All expenses related to hotels and offers are subject to prior approval and duly registered.

Gifts and hospitality are always forbidden if they:

- Violate the Organization's Code of Conduct and Policies.
- May jeopardize the reputation and good name of the Organization.
- Are illegal activities or products.
- Are in form of cash or equivalent.
- Exceed a value of €200.
- Are given to civil servants, members of government and international organizations.
- Aim to gain undue advantage in business.

COMPLIANCE OBLIGATIONS

Employees and partners are required to report in writing any situation regarding conflicts of interest.

The Organisation shall establish and maintain strict procedures for the maintenance of detailed records, that adequately and fairly reflect all financial transactions and disposal of assets in accordance with legal requirements and accepted international accounting principles.

Before entering a business relationship with a new partner, the Organisation shall conduct a due diligence procedure and risk analysis of corruption.

REPORTING IRREGULARITIES AND WHISTLEBLOWING

We encourage employees to report immediately when they witness or suspect that they may have witnessed, any practice or attempt at corruption and bribery or any activity that is illegal or violates the rules of this Policy.

We guarantee fair treatment and protection against retaliation to employees who refuse to accept or offer any bribes or report in good faith legitimate concerns about irregularities that they have witnessed or that may occur.

The Organization will treat as an infringement of this Policy any act of retaliation against the whistle blower.

INFRACTION CONSEQUENCES

Employees who violate this Policy may be subject to disciplinary action and sanctions, including dismissal for just cause.

Violation of this Policy by a partner implies the immediate termination of the business relationship.

The Organisation shall report to the competent authorities' facts which may constitute a criminal offence or contra ordination.

TRAINING AND COMMUNICATION

We ensure the training of employees on how to follow and implement this Policy, appropriate to their category and roles.

We communicate this Policy to all stakeholders and raise awareness of all new and existing partners for this Policy.

LEGAL FRAMEWORK E GOOD PRACTICES

The Organization identifies the legal compliance requirements applicable to the countries in which it operates and undertakes to apply and comply with the following laws and arrangements:

US Foreign Corrupt Practices Act

UK Bribery Act

United Nations Convention against Corruption

International Business Transactions of the Organization for Economic Cooperation and Development

United Nations Global Compact Principles

8. ENVIRONMENTAL STRATEGY

SICI 93 formulated a sustainable vision of the future based on a commitment to environmental and climate responsibility, in line with the major challenges that the environmental impacts, generated by the global textile and clothing industry, represent.

ECOVISION 2030



The priority action axes have been defined in accordance with the guidelines of the textile and clothing industry to promote the environmental sustainability of the activities carried out in the making and distribution of garments.

SICI 93 has set specific objectives for each of the axes and has drawn up an action plan to achieve results.

Suppliers are expected to contribute to the achievement of the above sustainable vision.

COMMITMENT TO CHEMICAL MANAGEMENT AND OUR CLIENTS

SICI 93 is certified in standards, Step by OEKO-TEX®, GOTS, GRS, which emphasize the importance of chemical management and have strict requirements as to which chemicals can be used. In addition to these, SICI 93 is also a member of the ZDHC Road Map to Zero Programme, which implies its responsibility for the implementation, improvement and performance of its chemical management system that complies with the ZDHC MRSL (Manufacturing Restricted Substance List).

Adding to the above, our clients also have requirements for the use of chemicals, MRSL and/or PRSL (Product Restricted Substances List), which SICI 93 strictly complies with.

Suppliers are required to strictly comply with, be aware of and understand the requirements of our clients and SICI 93.

9. REQUIRED DOCUMENTATION

CHEMICAL SUBSTANCES

For chemicals, the criteria by which SICI 93 governs its procurement procedure are set out below:

- Upon ordering or ordering a new product the supplier must provide the Safety Data Sheet (SDS) and Technical Data Sheet (TDS) of the same in its updated version and in Portuguese.
- Only chemicals that comply with REACH, ZDCH MRSL, Step by OEKO-TEX®, GOTS and GRS, MRSL and/or client PRSL are validated.
- Chemical samples are not accepted for testing at zero cost without being sure that they comply with REACH, ZDCH MRSL, Step by OEKO-TEX®, GOTS and GRS, MRSL and/or PRSL of customers thus not creating unnecessary chemical waste.

It constitutes company's policy and objective, research with suppliers/market of alternative chemicals more sustainable, less harmful to the environment and health and in a general way more eco-friendly.

MACHINERY AND EQUIPMENT

For machinery and equipment, the rules by which SICI 93 governs its purchasing procedure are set out below. New machinery or equipment:

- The supplier must deliver the machine or equipment instruction manual and operations in Portuguese.
- The supplier must provide the CE marking declaration in Portuguese.
- All machines or equipment must be CE marked.

Used machines and equipment:

- The supplier must provide the instruction manual (of the manufacturer or supplier) in Portuguese.
- The supplier must provide a certificate issued by a competent body that the machine does not pose a risk to the health and safety of the user.
- The supplier must lodge a declaration containing his name, address and professional identification and address of the certifying body.

It should be noted that the above documents, in addition to the requirements of SICI 93, are legal requirements contained in Decreto-Lei n.º 103/2008, de 24 de Junho, and in Decreto-Lei n.º 214/95, de 18 de Agosto.

10. PRODUCTION RECORDS

When necessary or due to the requirement of our clients, legal, regulatory, or normative requirements the supplier has the obligation to perform production records (whatever their nature) and preserve them during the period stipulated for this purpose.

11. AUDITS

SICI 93 reserves the right to monitor compliance with the policies and other requirements described above, through visits and/or audits during the duration of the relationship it establishes with the supplier.

In addition, the supplier must guarantee the right of our clients to carry out audits (announced, semi-announced or unannounced, second or third party) according to their own requirements and/or policies, provided full transparency and access to all documentation and locations on its premises.

12. GOTS REQUIREMENTS

Non-certified subcontractors that are part of the certified scope of SICI 93 (i.e., that are not independently certified) are required to comply with the normative requirements of the referential. Your commitment must be demonstrated by signing the GOTS Compliance Statement (*Declaração de Cumprimento de Requisitos GOTS*), complying with all the Work Instructions (*Instruções de Trabalho*) attached to it, full transparency, and access to the necessary documentation for this purpose.

Failure to comply with the above will lead to the exclusion of the subcontractor from the certified scope of SICI 93, preventing the production of GOTS items on its premises.

13. APPENDICES

DEFINITIONS E ABBREVIATIONS

Announced Audit: audit carried out on a date agreed by both parties.

CCTV: Closed-Circuit Television.

GOTS: Global Organic Textile Standard.

GRS: Global Recycle Standard.

IP: Intellectual Propriety.

MRSL: Manufacturing Restricted Substance List.

PRSL: Product Restricted Substances List.

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals.

SDS: Safety Data Sheet.

Second Party Audit: audit is performed by the customer or authorised representative.

Semi-announced Audit: audit performed at some point during a period agreed by both parties.

STeP: Sustainable Textile & Leather Production.

Supplier: are included in the category Product Suppliers, Service Providers and Subcontractors.

TDS: Technical Data Sheet.

Third Party Audit: audit is performed by an independent company or auditor.

ZDHC: Zero Discharge of Hazardous Chemicals.