

<b>PANGEA</b>	SUSTAINABLE PROCUREMENT, SUPPLY CHAIN, AND SUPPLIER CODE OF CONDUCT	Document Number: 10323
		Version Number: 1

## SUSTAINABLE PROCUREMENT, SUPPLY CHAIN, AND SUPPLIER CODE OF CONDUCT

At Pangea, we are dedicated to contributing to society and the improvement of the environmental and social impacts of our operations by evaluating the whole life cycle of genuine leather products. Pangea’s intent is to maintain a high level of sustainability within its operations, while encouraging all stakeholders to follow suit. Such action compels selecting suppliers and contractors based on a criterion which assesses their sustainability standing by offering products and services with minimal environmental impacts and adhere to our Global Terms and Conditions. This strategy is to ensure all products and services supplied are produced within a sustainable supply chain system that complies with International Standards.

This policy will expand on the traditional considerations of price, service, quality, durability, terms, and existing service relationships to focus on areas of human rights and labor conditions, health and safety, environmental responsibility, and ethical conduct covering, at a minimum *The Ten Principles of United Nations Global Compact*. We are constantly revising our procedures and assessing areas for improvement:

For Clients	For People	For Workplaces	For Communities
<p>Pangea expects suppliers to...</p> <ul style="list-style-type: none"> <li>...understand the goals and priorities our clients and services in a manner which is compliant with and/or contributes value</li> <li>...minimize their impact on the environment via resource conservation, emission mitigation and sustainability best practices (personnel, equipment, products and procedures used)</li> <li>...deliver smart, forward-thinking and value-enhancing solutions at every opportunity</li> </ul>	<p>Pangea expects suppliers to...</p> <ul style="list-style-type: none"> <li>...provide a culture of safety</li> <li>...follow national minimum wage requirements and adhering to Fair Wage and Living Wage requirements</li> <li>...ensure effective systems and procedures are in place to eliminate Modern Slavery</li> <li>...be committed to the health and well-being of their staff and in the safety of goods and services provided</li> <li>...promote Diversity &amp; Inclusion by embracing diverse background and skillsets in their workplaces</li> </ul>	<p>Pangea expects suppliers to...</p> <ul style="list-style-type: none"> <li>...actively reduce the carbon footprint of their products or services and provide energy/carbon efficiency options</li> <li>...demonstrate climate resilience of their operations, goods, and services to ensure client needs are met</li> <li>...understand and reduce waste, water, the lifecycle environmental impacts of their products and services and working towards circular economy</li> </ul>	<p>Pangea expects suppliers to...</p> <ul style="list-style-type: none"> <li>...demonstrate positive social impact and responsible procurement practices</li> <li>...support community engagement</li> <li>...promote professional skills development through employee training and offering employment to the local community</li> <li>...commit to strong principles of business ethics, ensuring compliance to regulatory requirements</li> </ul>

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Our Social Responsibility Statement is available at [PangeaMade.com/Policies](http://PangeaMade.com/Policies).

**By signing this document**, *Supplier/Contractor* understands, engages with, and responds to Pangea’s *Sustainable Procurement and Supply Chain Management*, agreeing to act in accordance with the guidelines stipulated herein and ensure that their supply chain for all products and or materials sourced on our behalf are done so whilst bearing in mind the guiding principles herein described. These policy guidelines form part of our new supplier selection and evaluation criterion, as well as serve as an addendum to existing supplier profiles. Should there be any further extensive provisions enforced by new laws or regulations, these will then take precedence.

## 1. WORKING CONDITIONS AND HUMAN RIGHTS

### 1.1 Human Rights

Pangea is committed to preserving the human rights of all its employees and to ensure they are treated with utmost dignity and respect. This is applicable to temporary employees, interns, contractual labor, full time employees and any other form of labor. Suppliers are to follow the *Ethical Trading Initiative* base code or demonstrate compliance to *The Universal Declaration of Human Rights*, *The International Labor Organization’s Declaration on Fundamental Principles and Rights at Work* (at a minimum).

### 1.2 Child Labor

The stipulations within the *International Labor Organization’s* convention (ILO Convention n. 138, 182) prohibits Pangea amongst other organizations from employing minors in the workplace. The legal minimum age for employment shall be the age considered in this regard and legally permitted in the country of function. By signing this document, the supplier agrees to not employ children under the age of 16 and comply with the stipulations made within the ILO pertaining to safety and health of the youth. This includes, but is not limited to, respecting the prescribed working hours of the country within which it operates by ensuring workers under the age of 18 do not exceed those hours.

### 1.3 Fair Wages & Benefits

Pangea, its suppliers and contractors, shall comply with all applicable laws and regulations which govern our operation, including but not limited to, minimum wage stipulations, overtime pay and legislated benefits. All staff are to be paid fairly and timeously with transparent remuneration terms provided to produce stable labor relations with minimal disruption and compromise between the wage differentials of organized and unorganized labor.

### 1.4 Working Hours

Stipulated work hours, overtime hours, lunch breaks and cyclical days off, shall be in line with relevant local legislation, collective-bargaining agreements, and international conventions. The legislation pertaining to overtime work is to be always considered and adhered to. Under no circumstances will overtime hours be imposed on workers by exploiting their vulnerability with threats of victimization.

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**1.5 Modern Slavery, Forced Labor and Human Trafficking**

Under no circumstances will we resort to forced or compulsory labor. This includes any work or service imposed upon an individual through coercion and which the individual has not agreed to by free will. Practices constituting forced labor include, but are not limited to, withholding of remuneration, imposing compulsory overtime, deprivation of basic conditions of employment and the restriction of movement. *It is the responsibility of our suppliers and contractors to ensure that their employees understand their rights regarding the terms and conditions of employment and keep all clauses, restraints, implications, and rights transparent and understandable. Suppliers are expected to treat their employees fairly and respect their rights to the fullest extent permitted by applicable law.* All staff should be employed of their own free will and all businesses shall maintain a code of conduct to ensure that forced labor and human rights violations are not occurring.

**1.6 Freedom of Association and Collective Bargaining**

Pangea, its suppliers and contractors, shall recognize and encourage workforce to exercise their lawful rights to include or exclude themselves from any union association. We also respect the right of workers to bargain collectively. Furthermore, we shall ensure that the above-mentioned employees and their representatives are not victimized, harassed or become the subject of discrimination due to their affiliation with such associations. However, where lawful restrictions prohibit such bargaining and freedom of association, suppliers should ensure that a similar communication platform is made available for employees to express their views and concerns to their management.

**1.7 Non-discrimination and Harassment**

Pangea believes that respectful, professional conduct furthers the Company’s mission, promotes productivity, minimizes disputes, and enhances our reputation. Pangea expects every employee to show respect for all of our colleagues, customers, and vendors. Harassment by co-workers, supervisors, or any third parties is a form of misconduct that destroys our work environment and undermines the integrity of the employment relationship. Pangea is committed to providing a work environment that is free of unlawful discrimination, including harassment that is based on any legally protected status. Pangea will not tolerate any form of discrimination or harassment that violates this policy. Any employee who believes has experienced or witnessed any conduct that is in violation of this policy should report that concern to a supervisor, Human Resources, or through the Global Ethics Hotline.

Pangea expects suppliers and contractors to not discriminate in employment opportunities or practices on the basis of race, color, religion, disability, national origin, genetic information, sex (including pregnancy), age, sexual orientation, gender (including gender identity and expression), marital status, protected veterans status, citizenship status or any other characteristic protected by applicable law. Our policy of *Non-discrimination* in employment applies to recruitment, hiring, compensation, promotions, transfers, discipline, demotions, terminations, layoffs, access to benefits and training and all other aspects of employment.

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## 2. HEALTH AND SAFETY

The safety and health of our employees is this company's most important business consideration. We will strive to ensure that all potential health and safety risks to our stakeholders resulting from our operations are minimized with reasonable mitigation measures in place.

We shall conduct our operations in a safe manner and comply with the relevant legislation and industry best practices to eliminate the possibility of inflicting ill health or injury to any person. Similarly, *selected contractors and suppliers are expected to demonstrate utmost compliance to Health and Safety Management, while adhering to the procedures and protocols.* Employee inclusivity is critical to the success of any organization. This is highly applicable to Health and Safety. It is therefore expected from all suppliers and contractors to have provided adequate training to its employees and anyone else impacted by its activities. Training to be provided on areas including but not limited to, the use of work equipment, personal protective equipment, fire safety, first aid and all relevant training required to mitigate the risks posed by the organization's operations. We will ensure the provision and maintenance of protective equipment is done at no cost to employees. Personal protective equipment must be of the appropriate quality standard which offers the necessary protection against anticipated hazards. The company will maintain a safety committee at each production site, consisting of management and labor representatives, whose responsibility are the identification of hazards and unsafe work practices, removing roadblocks to accident prevention, and helping evaluate the company's effort to achieve an accident-and-injury-free workplace. In addition, potential emergency situations shall be identified and evaluated. These situations shall be mitigated by the development and incorporation of emergency plans and protocols to which all related employees are trained for.

## 3. ENVIRONMENTAL CONSIDERATIONS

Partners of Pangea are expected to fully comply with all mandatory Environmental local legislation. Furthermore, creative initiatives and measures are to be implemented which contribute to the preservation of the environment. The minimization of the manufacturing impact throughout their product life cycle, *i.e.*, conception, improvements, manufacture, logistics, purpose and should be audited with current or near future solutions to reducing their carbon footprint. We will seek to encourage sustainable environmental and social improvement in current suppliers and contractors. Initially requesting information on existing sustainable development achievements or programs, which will form a basis to differentiate and select amongst competing suppliers. Furthermore, Pangea chemical suppliers are required to be ISO 14001 certified.

### 3.1 Energy Consumption, Renewable-sourced Energy and Emissions

Pangea is focused on reducing its carbon footprint throughout its daily operations, supply chain and logistics. The impact of manufacture on the environment is greater than ever, from high power consumption to high carbon emissions stemming from the logistical factors. Our aim is to reduce carbon emissions wherever possible which will in turn result in a reduction of greenhouse emissions and render us a more sustainable manufacturing facility.

For machinery and equipment purchases, the selection criteria should evaluate energy efficiency, fuel efficiency, durability and water use performance, or other characteristic related to the equipment and consumables, considering the best environmental performance in a products class, yet economically feasible.

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Whenever possible, Pangea will try to revert to renewable energy sources that include, but is not limited to, solar power conversions, hydro and wind power as part of its energy grid utilization. Our suppliers are expected to undertake similar initiatives to becoming more sustainable and environmentally friendly in its operations.

### 3.2 Water Quality and Conservation

Suppliers to Pangea are expected to monitor, control, and reduce water consumption throughout their processes. Suppliers should develop transparent standards for the governance and management of water resources, educate and inform their employees on the importance of water conservation. Sufficient training and awareness to help educate employees on saving water and monitoring usage is critical in this regard. R&D teams should be constantly searching for innovative ideas and/or equipment to reduce water consumption in their production processes, irrigation systems, and so forth.

Chemical suppliers must evaluate the environmental toxicity to aquatic systems and regional watershed discharge restrictions when formulating new polymer dispersions so hazardous or persistent substances are avoided and ecosystems are preserved.

### 3.3 Air Quality

Pangea partners should fully comply with air quality legislation that regulates and curbs emissions of harmful and persistent pollutants into the atmosphere as well as regulate airborne pollutants which are harmful to employees and affect the environmental health. Pangea partners should also focus on eliminating or substituting chemicals from their manufacturing that could potentially damage the ozone layer.

### 3.4 Resource Management and Waste Reduction Management

Pangea partners should limit the use of non-renewable resources as well as devising new innovative solutions to reducing waste creation. Waste streams can be significantly reduced by recycling or reusing materials where and whenever possible. Improvements in production, housekeeping, maintenance, logistics and creative ideas to consider combined with the available technology to recycle or process byproducts where possible. Suppliers should demonstrate positive social impacts and responsible procurement practices including a diverse supply-chain for their products and services, working towards a circular economy.

### 3.5 Responsible Chemical Management

Pangea partners respect all national legislation, guidelines, and client determinations pertaining to the usage and/or limitation of explicit substances. This incorporates obligatory marking for reusing and removal. Chemicals and materials hazardous to the environment, are to be distinguished and monitored for the purpose of safe handling, transport, storage, usage, and disposal. Items or parts purchased by Pangea, regardless of whether they are standard or tailored to the specifications of Pangea, should not contain any item, material, or substance in breach of the guidelines for banned substances in the Suppliers' countries, the European Union and countries in which these provisions, items or parts are utilized. This must be authorized in advance by Pangea.

Chemicals supplied must follow ingredient transparency to 1000 ppm (or as set by regulatory agency in country of use) with supporting safety datasheet (SDS) and must be absent of APEOs or alkylphenol ethoxylates, substances on the candidate list and/or authorization list for SVHC in REACH/ECHA; polybrominated

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biphenyl (PBB), chemicals classified under Group I in Annex I of the European Commission Candidate list for endocrine disruptors, classified Group II or Group III in Annex I of the European Commission candidate list for endocrine disruptors, substances in Annex XVII of REACH, chlorinated paraffins, perfluorinated alkyl sulfonates (PFAS): perfluorinated carboxylic acid (PFCA) including perfluorooctanoic acid (PFOA) and related substances; brominated flame retardants, phthalates DEHP, DBP, BBP or DAP; chlorophenols (their salts and esters), PCB, organotin compounds.

Pangea also requires vendors to provide the use of certain substances and materials along with the disclosure of sources for legal and regulatory compliance purposes (such as Conflict Minerals declaration and SOCs). In addition, chemicals supplied must conform to ZDHS/MRSL and proper official declarations and databases must be available whenever requested or updated.

#### **4. BUSINESS ETHICS**

Pangea and suppliers agree to fully comply with all country-specific legislation and industry regulations applicable to our business operations and products.

##### **4.1 Integrity, Anti-Corruption, Extortion, Bribery and Fraud**

We shall strive to eliminate all forms of corruption, fraud, extortion, bribery, embezzlement, and benefits from unethical advantages, while complying with the applicable legislation pertaining to such acts. Suppliers are to adopt and implement stringent internal control measures and ethical policies to detect and prevent bribery in all its forms. These may consist of creating and promoting employee awareness initiatives to educate personnel on the policies against bribery and to ensure an effective financial and accounting system is in place to regulate the transparency and accuracy of transactional reporting.

##### **4.2 Privacy**

We will ensure necessary privacy measures are in place to mitigate risks such as, data loss and unauthorized access while complying with legislation and regulations pertaining to privacy and information security.

##### **4.3 Financial Responsibility**

All financial information provided must be accurate and complete. These records should provide valuable business information as well as necessary actions, decisions taken, and obligations.

Authorization procedures and requirements must be in place to ensure transactions are approved by the different levels of Management. The recording and submission of inaccurate or misleading information may constitute fraud and result in legal action taken against those accountable.

##### **4.4 Privacy and the Protection and Disclosure of Personal and Confidential Information**

We will ensure necessary privacy measures are in place to mitigate risks of data loss and unauthorized access while fully complying with legislation and regulations pertaining to privacy and information security, such as the Protection of Personal Information Act, No 4 of 2013 (POPI), which includes the protection of personal information or any identifiable information pertaining to staff and employees (HR data), personal information collected from data subjects (client/member data) and the personal information processed, stored or shared in terms of any third-party agreement which may exist.

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The disclosure of sensitive company information regarding the Finances, structure and or its operations shall only be disclosed in accordance with the internal communication policies and best practices in place. Under no circumstances will the misrepresentation or unscrupulous usage of company records and sensitive company information be tolerated. Confidential business information or trade secrets shall only be used with the approval of the Managing Director and shall be handled responsibly as to prevent any unwanted disclosure or leakage of information.

**4.5 Fair competition and Anti-Trust laws**

Pangea and its partners will operate within the framework of fair and ethical business practices. All suppliers are expected to act within the guidelines of fair competition.

**4.6 Conflict of Interest**

All decision taken on behalf of the company should be done so objectively and in the best interest of the company. Any benefit or gain experienced by a Pangea employee or family member of that employee resulting from a transaction or dealing with the company, constitutes a conflict of interest. Any potential situation which may result in conflict of interest, should be announced, and brought to the attention of Management prior to carrying out the act or transaction.

**4.7 Counterfeit Parts**

It is the responsibility of Pangea partners to introduce systems aimed at controlling and reducing the possibility of counterfeit parts used in the production of their goods. Partners of Pangea should have reasonable measures in place to not only detect, but to quarantine counterfeit material and notify the Original Equipment Manufacturers (OEM), customers and/or necessary legal authorities in this regard.

**4.8 Intellectual Property**

The knowhow and technology of the business shall be respected. During transfer, the rights over such intellectual property shall be protected at all times.

**4.9 Import/Export Controls, Sanctions and Pricing**

Pangea complies with all applicable restrictions on export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade and customs involving certain countries, regions, companies or entities and individuals as dictated by statute. Same is required of suppliers.

The supplier’s expectation is to support Pangea with continuing cost reduction strategies while providing global competitive pricing and continually reviewing supply chain to meet and improve on delivery requirements.

**4.10 Procurement of Raw Materials**

Pangea partners shall develop and implement adequate monitoring and control measures to ensure that if certain raw materials (tantalum, tin, tungsten, gold, and cobalt) are sourced for the manufacture of their products, this is done responsibly and do not directly or indirectly support or finance armed groups that

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violate human rights. Sourcing of those metals automatically triggers the need of a substance declaration. The procurement of materials within the supply chain should not be sourced from regions of conflict or where violations of human rights is apparent. Nonetheless, given the characteristics of the products and services Pangea generates today, the issue of “Conflict Minerals” is not applicable to our products or manufacturing thereof.

We purchase materials from suppliers in compliance to our Global Terms and Conditions of Purchase (buyer/seller agreement) and conformance to the clauses of this document. Further, we ensure socially responsible procurement which respects human rights and protects the environment, by operating our business in accordance with all relevant policies. For the particular case of animal hides, Pangea does not allow sourcing from farms where it is detected cattle-driven deforestation practices. We also require hide suppliers and their supply-chain to follow the Animal Welfare & Traceability (AWT) Policy and best practices of the World Organization for Animal Health (OIE).

#### 4.11 Grievance Mechanism between Pangea and Partners

*Terms and Conditions* of services rendered are stipulated in the *Global Terms and Conditions of Purchase* and are deemed agreed upon acceptance of a Purchase Order (PO). Queries or concerns from suppliers related to Pangea’s buyer’s group should be communicated via *Global Ethics Hotline* so our Ethics Committee is engaged to address the issue. Similarly, suppliers of Pangea are required to implement a grievance mechanism for service and or quality related queries raised by customers.

#### PANGEA PARTNER / SUPPLIER / CONTRACTOR

<b>Company Name</b>	<b>DUNS #</b>
<b>Contact Name</b>	<b>Title</b>
<b>Signature</b>	
<b>Date</b>	<b>Telephone</b>
<b>E-mail Address</b>	

\*Please send back signed copy of the completed form.

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