



PREMIUM BUBBLE SINCE 1938
MADE IN ITALY

Company Code of Conduct

Company Code of Conduct

The business model of DULCOP INTERNATIONAL S.P.A. covers the supply of soap bubbles, bubble toys and plastic bubbles.

We are committed to doing this in a sustainable way, respecting people and the environment and adhering to high standards of business integrity. We firmly believe that this is the only way DULCOP INTERNATIONAL S.P.A. and its Stakeholders can continue to succeed in the long term.

The Code of Business Conduct and for the Supply of Goods (“the Code of Conduct”) describes what DULCOP INTERNATIONAL S.P.A. expects from Stakeholders in terms of legal compliance, labor practices, environmental performance, and anti-corruption. Expectations related to other topics, such as quality standards, product standards and delivery instructions, are addressed in other policies and guidelines.

The requirements apply to all workers and Stakeholders who produce goods for DULCOP International S.p.A. It is important to note that the provisions of the Code of Conduct constitute minimum standards, not maximum standards.

DULCOP INTERNATIONAL S.P.A. expects its workers and Stakeholders to aim for continuous improvement in working conditions and environmental performance.

San Lazzaro di Savena, 10/10/2024



Summary

- 01 Introduction
- 02 Summary of Requirements
- 03 Detail of Requirements
- 04 Ensuring Compliance with the Code of Conduct

Introduction

DULCOP INTERNATIONAL S.P.A. expects workers and Stakeholders to conduct their activities in a responsible manner and to do what they can to protect people and the environment. The table below provides a summary of the requirements of the Code of Conduct.



Summary of Requirements



1. Legal Compliance



2. Labour



3. Environment



4. Anti-Corruption

Summary of Requirements

1. Legal Compliance

- Compliance with applicable law, domestic and otherwise, at all times.
- Compliance with intellectual property rights.



Summary of Requirements

2.Labour

➤ **No child labour.**

No discrimination in employment:

➤ Declare a strong commitment against all forms of gender-based discrimination, promoting equality and respect for women in all aspects of the organization.

➤ No forced labour.

➤ Respect for freedom of association and collective bargaining.



Summary of Requirements

2.Labour

➤ No harsh or inhumane treatment.

➤ No discrimination against women, children or any gender.

Training and Outreach

➤ Provide regular training on gender, equality and harassment prevention issues.
➤ Raise awareness among all members of the organization about women's rights and the importance of diversity.

Harassment Prevention

➤ Establish clear procedures for reporting and addressing harassment and discrimination, ensuring that victims can do so in a safe and confidential environment.
➤ Commit to strict disciplinary measures against inappropriate behavior.

Summary of Requirements

2. Labour

Support and Resources

Provide resources and support to women who may experience discrimination, including counseling services and legal support.

Promote work-life balance through flexible policies.

Monitoring and Evaluation

Establish monitoring mechanisms to evaluate the effectiveness of policies and practices related to nondiscrimination.

Collect feedback from employees and make continuous improvements.

Accountability and Transparency

Ensure that all members of the organization, including managers, are accountable for compliance with nondiscrimination policies.

Transparently communicate progress and initiatives regarding nondiscrimination and gender equality.

Summary of Requirements

2.Labour

Promotion of Women's Leadership

Encourage the presence of women in leadership and decision-making positions, ensuring professional development opportunities according to a new logic of GENDER RESPONSIVE MANAGEMENT, so that women are not discriminated against and live in a work environment that makes them feel good.

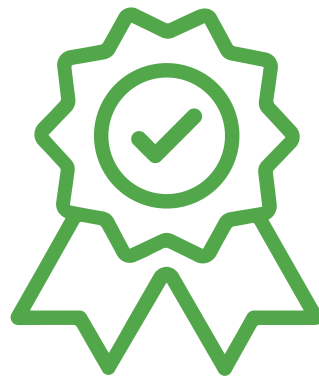
A safe, hygienic and INCLUSIVE work environment: creating a work environment that fosters diversity, inclusion and mutual respect.

Special attention to vulnerable groups: GENDER RESPONSIVE MANAGEMENT (see help for pregnant employees and employees in Protected Category)



Summary of Requirements

2.Labour



Regulare employment:
promote hiring and promotion
policies that are fair and
transparent.



Wages sufficient to live on,
paid on time.

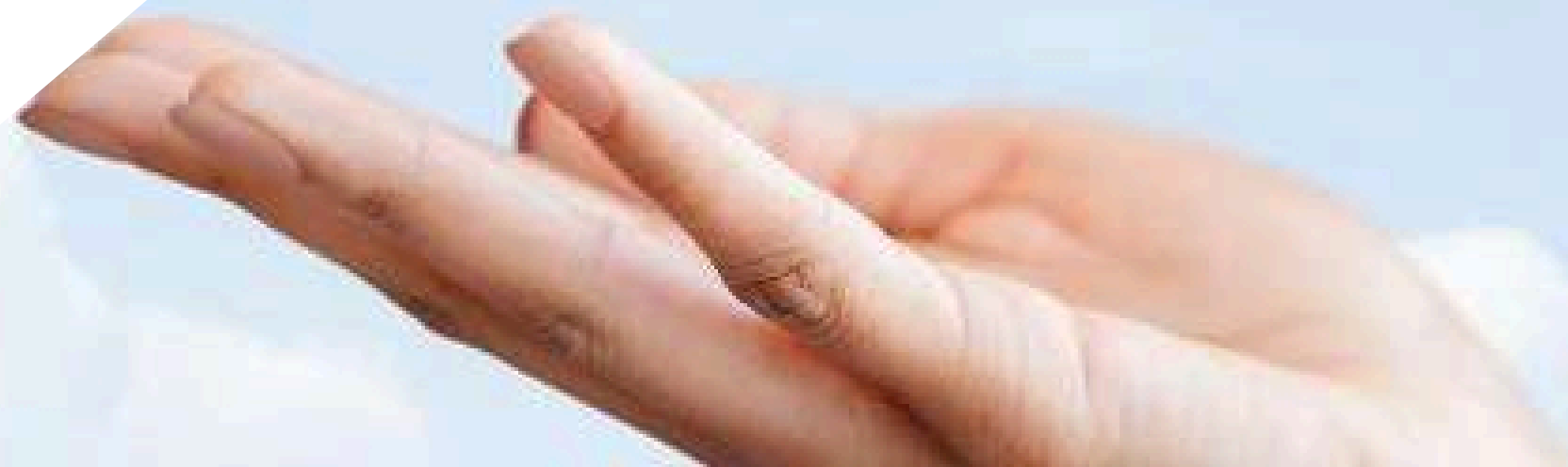


Working hours
not excessive.

Summary of Requirements

3.Environment

- **Compliance with legal requirements**
- **Management of environmental performance**
- **Improved energy and water efficiency**
- **Reduction of waste and emissions to the environment**
- **Reduction of hazardous chemicals in the supply chain**



Summary of Requirements

4. Anti-Corruption

No corruption of any kind



Detail of Requirements



1. Legal Compliance



2. Labour



3. Environment



4. Anti-Corruption

Detail of Requirements

1. Legal compliance

- Stakeholders must comply with the applicable national and international laws at all times.
- Whenever provisions of the law and the Code of Conduct cover the same subject matter, Stakeholders must apply the provision that offers the greatest protection of workers or the environment.
- Stakeholders must ensure that intellectual property rights are respected and that the illegal copies are neither offered nor produced.



Detail of Requirements

2.Labour

The requirements in this section are based on the standards of the International Labour Organization, the Global Social Compliance Program, and the Basic Code of Ethical Business Initiative.

DULCOP INTERNATIONAL S.P.A. respects human rights and seeks to avoid complicity in abuses of those rights.

DULCOP INTERNATIONAL S.P.A. expects Stakeholders to respect the human rights of workers and adhere to the requirements of this section.



Detail of Requirements

2.Labour

2.1.Child Labour

- **The employment of child labor at all levels is strictly prohibited.**
- Workers must be at least 16 years of age, or older if required by local law, including regulations for compulsory education.
- Workers who perform hazardous work or work overnight must be at least 18 years of age.
- DULCOP is committed to hiring only personnel who are 18 years of age.
- **SEE CHILD LABOUR POLICY**

**STOP
CHILD
LABOUR**



Detail of Requirements

2.Labour

2.2. Discrimination, Violence and Harassment

Dulcop treats all its employees with respect and dignity, ensuring that workers are not subjected to any form of violence, harassment and inhuman or degrading treatment in the workplace, nor to threats of violence and mistreatment, including corporal punishment, insults, physical, sexual, economic or psychological abuse, mental or physical coercion or other forms of harassment or intimidation.

Detail of Requirements

2.Labour

2.2. . Discrimination, Violence and Harassment

There are 4 forms of violence that must be condemned and abolished:



Any type among these listed that is done to the detriment of someone internally (cafeteria, rest, offices, locker rooms, restrooms) or through the corporate environment (outside conferences, seminars, transportation services) **IS ABSOLUTELY CONDEMNED BY DULCOP FOLLOWING THE AMFORI BSCI ZERO TOLERANCE PROTOCOL.**

Detail of Requirements

2.Labour

2.2. . Discrimination, Violence and Harassment

➤ All WOMEN in Dulcop are treated with respect and represent the majority of staff within the company with special attention in case of children or any other reason. They do not do heavy and dangerous work and can enjoy more facilitated hours for children and family.

➤ DULCOP and Stakeholders shall not engage in, support, or tolerate any discrimination related to employment (including: personnel selection, recruitment, training, working conditions, job assignment, compensation, promotions, discipline, contract termination, and retirement). Dulcop is committed to understanding the possible grounds for discrimination in their specific context and will not discriminate against or exclude people on the basis of sex, gender identity, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in trade unions or other legitimate organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, illness, or any other condition likely to give rise to discrimination.

Detail of Requirements

2.Labour

2.2. . Discrimination, Violence and Harassment

- Dulcop shares disciplinary procedures with all workers, consistent with national legislation, and explains them verbally to workers using terms and language they understand. It also verifies that workers are not harassed, subjected to disciplinary measures, or retaliated against for reporting problems based on any of the reasons listed above.
- The sole basis for distinguishing workers should be their ability and willingness to do their jobs, rather than personal characteristics; such personal characteristics include, but are not limited to, gender, age, religion, marital status, race, caste, social status, disease, disability, pregnancy, ethnic and national origin, nationality, membership in workers' organizations, including labor unions, political affiliation, and sexual orientation.
- The audited company respects the right of workers to form unions, or to refrain from doing so, without any distinction and regardless of gender in a free and democratic manner
- None has ever been fired and never will be for family reasons, pregnancies or unjust causes in Dulcop.

Detail of Requirements

2.Labour

2.3. Forced labor, Slavery and Human trafficking

Workers must perform their work on a voluntary basis, which means that all forms of forced labor, including compulsory, bonded, and in the context of incarceration, are prohibited, in accordance with national laws and the provisions of **ILO PROTOCOL No. 29 ON FORCED AND COMPULSORY WORK**; Dulcop does not detain anyone beyond working hours against their will, allows employees to leave the workplace beyond the designated hours, and does not use any form of violence to force them. (ZERO TOLERANCE PROTOCOL).

DULCOP and Stakeholders shall not violate free choice of employment by requiring deposits, withholding identification documents, or denying wages.

DULCOP and Stakeholders must allow workers to terminate their employment contracts after reasonable notice.

DULCOP is committed in, or through business partners, not to be complicit in any form of servitude, forced or bonded.



Detail of Requirements

2.Labour

2.3. Forced labor, Slavery and Human trafficking

DULCOP adheres to the international principles of responsible recruitment, including the **“Employer Payment Principle”** for which The Employer Pays (No worker should pay for a job: recruitment costs should not be borne by the worker but by the employer), and requires the same of their recruitment partners when hiring and recruiting all workers, directly or indirectly.

Especially members of vulnerable groups such as temporary and migrant workers.

At least, this includes:

- Workers are not charged recruitment fees and costs
 - Clear and transparent labor contracts
 - Freedom of workers from deception and coercion
 - Freedom of movement and prohibition of retention of identity documents
 - Access to free, complete and accurate information
 - Freedom to terminate contracts, change employers and return to work safely
 - Access to free dispute resolution and effective remedies
-
- Progressively compensate workers' damages within a reasonable period of time and within the framework of the same international standards if historical or actual non-adherence to the standards is found with a properly calculated form of compensation.

Detail of Requirements

2.Labour

2.4. Freedom of association

- DULCOP and Stakeholders must adopt an open and cooperative attitude toward worker representatives, allow workers to form or join unions of their choice, and participate in collective bargaining.
- DULCOP and Stakeholders must allow workers' representatives access to the workplace in order to carry out their representative functions.
- In the event that the right to freedom of association and collective bargaining is prohibited by law, Stakeholders must facilitate, not hinder, workers in the implementation of alternative forms of worker representation and bargaining.
- DULCOP does not have unions or other recognized forms of association internally, but the workers in complete freedom chose two figures from among themselves who could represent them with whom management interacts on a transparent and recurring basis.
- DULCOP and the Stakeholders must implement effective grievance mechanisms to resolve internal industrial disputes and employee grievances.



Detail of Requirements

2.Labour

2.5. Harsh and Inhumane Treatment

- DULCOP and Stakeholders must treat workers with dignity and respect, and not engage in or tolerate bullying, harassment, including sexual harassment, intimidation, violence, corporal punishment, or abuse of any kind-verbal, psychological, physical.
- DULCOP and Stakeholders must establish disciplinary procedures in written form, explain them in clear terms to their workers, and keep records of all disciplinary actions.
- DULCOP and Stakeholders must ensure that disciplinary measures are proportionate, and do not include physical or mental punishment.

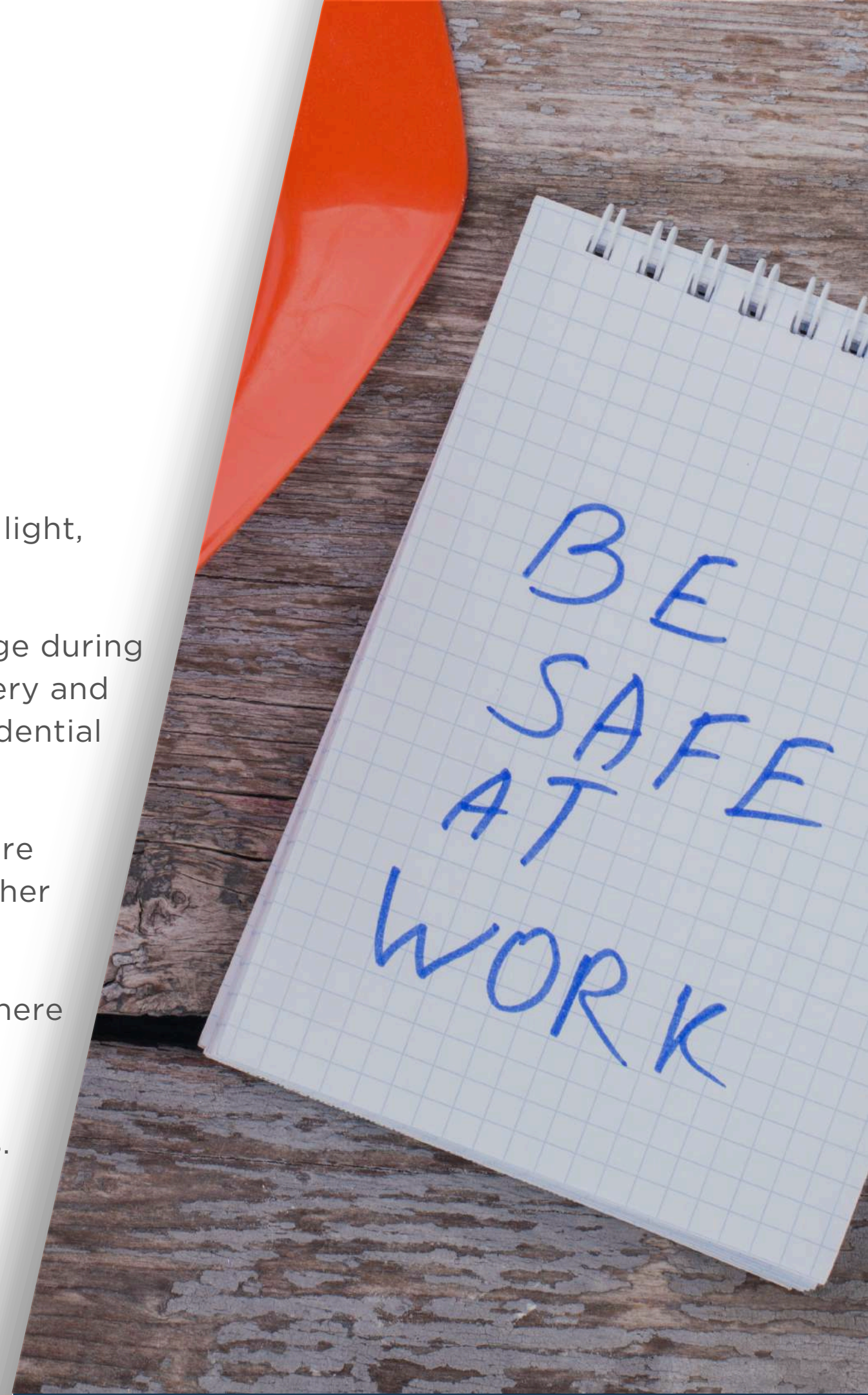
ZERO TOLERANCE PROTOCOL

Detail of Requirements

2.Labour

2.6. Health and Safety

- DULCOP and Stakeholders must provide a safe and hygienic workplace with sufficient light, heating and ventilation.
- DULCOP and Stakeholders must take precautions to avoid accidents and health damage during the course of work, ensuring safe handling and storage of chemicals, safety of machinery and equipment, electrical safety, security, strength and stability of buildings, including residential structures where provided, and providing adequate safeguards against fire.
- DULCOP and Stakeholders must provide regular health and safety training, including fire safety training, waste management training, and training on handling chemicals and other hazardous materials.
- DULCOP and Stakeholders must provide access to clean toilets, potable water, and, where appropriate, hygienic facilities for food preparation and storage.
- Where provided, dormitories must be clean, safe, and meet the basic needs of workers.
- Dulcop offers all workers supplemental health insurance coverage (UNISALUTE) that provides access to medical care, diagnostic tests with a special discount.



BE
SAFE
AT
WORK

Detail of Requirements

2.Labour

2.7. Protect the Vulnerable



- DULCOP and Stakeholders must pay special attention to the rights of the most vulnerable people, such as women, pregnant women, home-based workers, temporary workers, precarious workers and migrant workers, to illicit labor practices.

As soon as Dulcop learns about the employee's pregnant state, depending on whether she is an employee or a factory worker, acts immediately to protect her: the factory worker is immediately left at home on early maternity leave, while the course of action is assessed with the employee according to her needs (additional rest and presence of a medical crib for leg rest, in addition to pathway that avoids danger).
- The Stakeholders who hire home-based workers must comply with the Dulcop International S.p.A. Guidelines.

Detail of Requirements

2.Labour

2.8. Regular Employment

- DULCOP and Stakeholders must engage with workers on the basis of a recognized employment relationship established by law and national practice.
- DULCOP and Stakeholders must not seek to avoid the legal obligations arising from this relationship such as by using improperly applied apprenticeship programs or excessively using fixed-term contracts not justified by continuous renewal.



Detail of Requirements

2.Labour

2.9. Remuneration

- DULCOP and Stakeholders must compensate workers through wages, overtime pay, benefits, and paid vacations that meet or exceed the legal minimum and/or industry benchmark standards, whichever is higher. **DULCOP CONDUCTED AN AVERAGE COST-OF-LIVING (LIVING WAGE) ANALYSIS TO VERIFY THAT EMPLOYEES RECEIVE A SALARY IN LINE WITH ADDITIONAL EXTERNAL ECONOMIC NEEDS.**
- DULCOP and the Stakeholders must compensate workers for all overtime at a premium rate not less than the rate stipulated in the national collective agreement applied by law.
- Wages and benefits, for standard working hours and overtime must be paid regularly and on time, and be sufficient to meet basic needs and provide discretionary income for workers and their families.
- DULCOP and Stakeholders shall not make any deductions from wages that are not required by national law, or as a disciplinary measure.
- DULCOP and the Stakeholders must provide workers with written and understandable information on working conditions, including wages, prior to the commencement of employment, and details of wages with each payment.

Detail of Requirements

2.Labour

2.10. Working hours

- DULCOP and Stakeholders must set standard working hours by contract, for a number of hours that is in line with national legislation or collective agreements, with a maximum of 48 hours per week excluding overtime.
- DULCOP and Stakeholders must perform overtime work responsibly, not require overtime work on a regular basis, and accept that overtime work is voluntary, and therefore not force workers to do so.
- Working hours may not exceed 60 hours in a seven-day period, except for unforeseeable and extraordinary circumstances, and only if any of the following conditions are met:
 - 1) permitted by national legislation,
 - 2) permitted by a collective agreement, and
 - 3) adoption of safeguards to protect the health and safety of workers.
- DULCOP and the Stakeholders must allow workers to take breaks, to have at least one day off in a seven-day period, or two days off in a 14-day period, where permitted by national legislation, and to observe applicable holidays.
- Dulcop requires each employee to have at least a 15-minute break during the first 4 hours and another 15 minutes in the next 4 hours after the break, which does not involve standing in line for the bathroom or going to the cafeteria.

Detail of Requirements

2.Labour

2.11 Business Ethics

- Dulcop does not to take part in any act of bribery, and, extortion or embezzlement, or any form of corruption, including but not limited to the promise, offer, giving or acceptance of any monetary or other inducement.
- Dulcop develops and adopts appropriate internal controls, programs, or measures to prevent and detect instances of bribery, extortion, embezzlement, or any form of corruption, developed on the basis of a specific risk assessment of the company.
- Dulcop maintains accurate information about its activities, facilities and performance, and disclose it according to applicable regulations and industry benchmark practices to enhance the transparency of its activities.
- Dulcop does not falsify or participate in the falsification of information or any act of misrepresentation in the supply chain.
- Dulcop informs workers about policies, controls, programs and measures to counter unethical behavior and promote compliance within the company through training and communication.
- Dulcop is responsible for collecting, using, or otherwise handling with reasonable care personal information, including that of workers, business partners, customers, and consumers within their sphere of influence. The collection, use, and other processing activities of personal information must comply with privacy and information security laws and regulatory obligations.
- Dulcop does not engage in corrupt acts or conceal data or information from both its customers and external auditors.

Detail of Requirements

3.Environment

DULCOP INTERNATIONAL S.P.A. believes that good environmental performance is a prerequisite for future success as an industry. Therefore, over time, DULCOP INTERNATIONAL S.P.A. expects Stakeholders to go beyond compliance and proactively manage environmental performance. Where necessary, DULCOP INTERNATIONAL S.P.A. will work closely with Stakeholders to assist them in achieving such compliance.



Detail of Requirements

3.Environment

3.1. Legal Compliance

- DULCOP and Stakeholders shall comply with all local and national environmental protection laws and regulations and aim to meet international environmental protection standards.
- DULCOP and Stakeholders shall obtain all necessary environmental permits, and keep them up to date.

Detail of Requirements

3.Environment

3.2. Environmental Performance Management

➤ DULCOP and Stakeholders must have an environmental management system, set of written policies, planning tools, and procedures for measuring, managing, and reporting on environmental performance, in place and assign responsibility for environmental performance to a management representative.

➤ DULCOP and Stakeholders must measure energy and water use, emissions and discharges to the environment, and waste disposal, and disclose this information to Dulcop International S.p.A. upon request.

➤ DULCOP and Stakeholders must integrate environmental impacts into business decisions, take a step-by-step approach toward improving environmental performance, and require the same from their Stakeholders and subcontractors.



Detail of Requirements

3.Environment

3.3. Resource Use & Climate Change

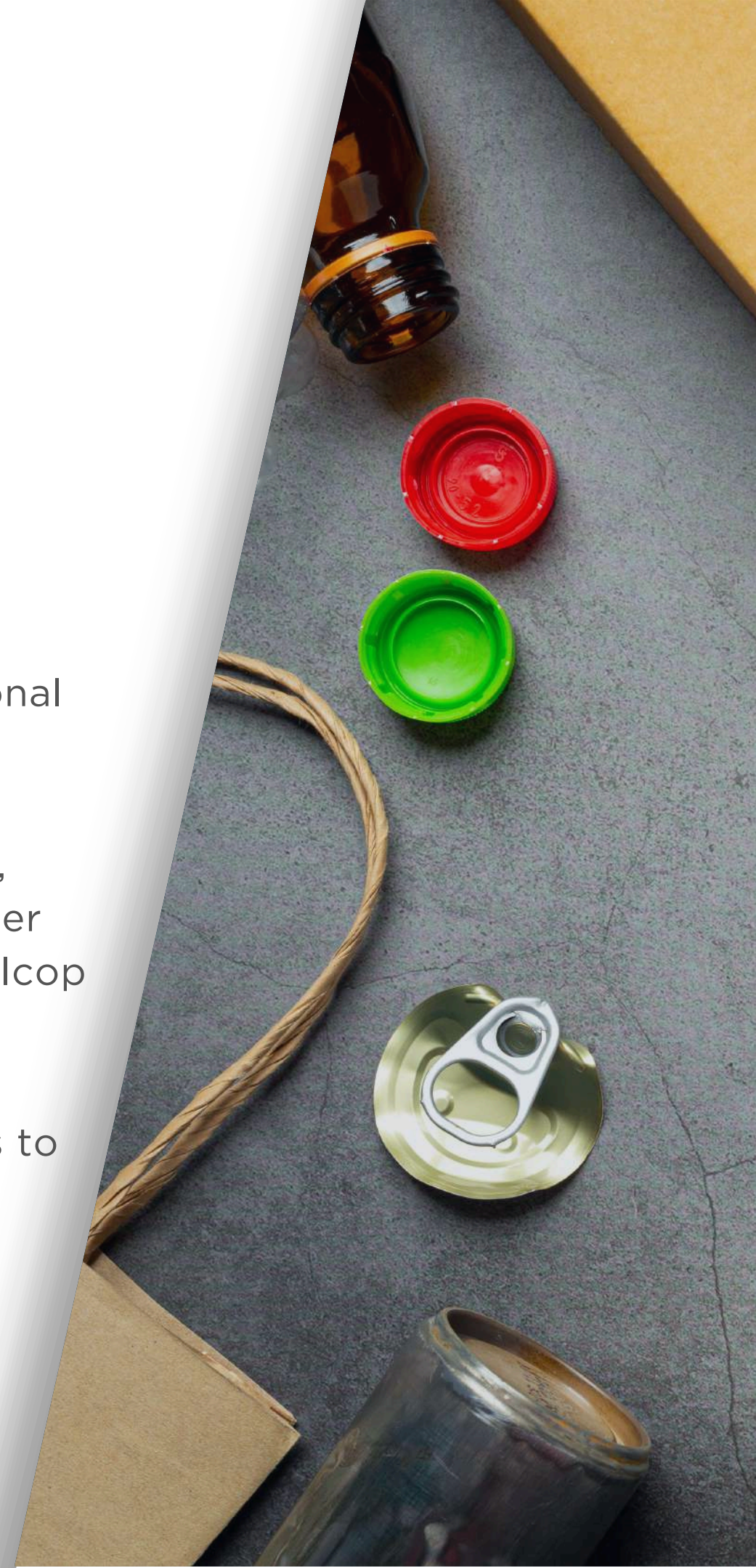
- DULCOP and Stakeholders must take steps to continuously improve the energy efficiency of buildings, transportation, and production, and make every effort to use renewable or lower carbon energy sources.
- DULCOP and Stakeholders with wet processes must take steps to continuously improve water efficiency.
- DULCOP and Stakeholders must make every effort to ensure that their purchasing decisions do not contribute to deforestation, animal abuse, or negative impacts on vulnerable ecosystems or endangered species.

Detail of Requirements

3.Environment

3.4. Waste & Emissions

- DULCOP and Stakeholders must take steps to reduce waste through design and operational efficiency, and facilitate reuse and recycling wherever possible.
- DULCOP and Stakeholders shall treat wastewater in a suitable manner prior to discharge, examine it as required to meet all local and national compliance standards related to water discharge, and share wastewater quality data with interested parties upon request by Dulcop International S.p.A.
- DULCOP and Stakeholders shall take measures to minimize noise pollution and emissions to air, soil and groundwater.



Detail of Requirements



3. Environment

3.5. Hazardous Chemicals

DULCOP and Stakeholders must work together with their Stakeholders toward the elimination of hazardous substances from the supply chain.

Detail of Requirements

4. Anti-corruption

DULCOP INTERNATIONAL S.P.A. expects Stakeholders to adhere to high ethical standards in business practices.

- Stakeholders must comply with all applicable anti-corruption laws.
- Stakeholders must adopt an anti-corruption policy and procedures, and review them regularly to ensure that they are working effectively.
- Stakeholders must not offer, pay, solicit or accept bribes, including facilitation payments.





Ensuring Compliance with the Code of Conduct

DULCOP INTERNATIONAL S.P.A. recognizes that it can be challenging to achieve complete compliance with the requirements of the Code of Conduct, but believes that this is critical to the future business success of both DULCOP INTERNATIONAL S.P.A. and its Stakeholders.

Compliance with the Code of Conduct is no less important than meeting quality standards or delivery deadlines.

These requirements of compliance and achievement of the Code of Conduct are acquiesced in, implemented and maintained by DULCOP toward both its workers and Stakeholders, and the same application and commitment is required of its workers and Stakeholders.

Ensuring Compliance with the Code of Conduct

1. Performance of Management

- Stakeholders must have an effective management system to proactively manage compliance with the Code of Conduct and assign responsibility for compliance to a management representative.
- Stakeholders must make workers aware of the requirements of the Code of Conduct, and train managers and supervisors regarding how to achieve them.
- Stakeholders must conduct regular internal evaluations. DULCOP INTERNATIONAL S.P.A. will do everything in its power to work with Stakeholders who are helpful, honest and continuously improving, and will support them in achieving the requirements.
- Stakeholders must notify DULCOP INTERNATIONAL S.P.A. of all production units, whether owned or subcontracted, prior to the start of production. The use of any production unit not previously communicated is strictly prohibited.
- Stakeholders may not subcontract any part of the production process without the prior written consent of DULCOP INTERNATIONAL S.P.A., and only after:
 - the subcontractor has agreed to comply with the Code of Conduct
 - the subcontractor has passed an audit.
- Stakeholders are responsible for ensuring that subcontractors comply with the Code of Conduct.

Ensuring Compliance with the Code of Conduct

2. Monitoring & Transparency

- Stakeholders must allow DULCOP INTERNATIONAL S.P.A. and/or its representatives to conduct assessments, with or without prior notice.
- Stakeholders must be cooperative and transparent during an assessment and provide unrestricted access to workers, records, work areas, and dormitories, if applicable.
- Stakeholders must allow interviews with workers to be conducted in a private setting, and must not suggest to workers how to answer questions.
- Stakeholders must maintain complete and accurate testimony through work time records and payroll so that compliance can be effectively assessed, and not manipulate information or misrepresent any aspects of operations.



Ensuring Compliance with the Code of Conduct

3. Sanctions

➤ DULCOP INTERNATIONAL S.P.A. has a confidential whistleblowing system called the “Suggestion Box,” through which all interested parties, including Stakeholders, DULCOP INTERNATIONAL S.P.A. workers and employees can report unprofessional behavior and violations of the Code of Conduct to DULCOP INTERNATIONAL S.P.A.’s senior management through the grievance forms that can be found posted on company bulletin boards and locker rooms.

- The suggestion box is opened regularly once a month (see: Open Box Log) by the Ethics Officer. In case a suggestion is found the problem is analyzed and then a decision is made on how to proceed. If there is a communication to be verified in advance of the box opening date, the Ethics Officer will proceed with the opening. In order to avoid potential conflicts of interest, 2 Ethics Officers for different areas (male and female) were voted (see REE elections).

- In the event that a suggestion is found, the Ethics Officer in question analyzes the problem and records it in a folder called “SUGGESTIONS BOX” in the following manner: **“Complaint number 3/2024 received on 03/13/2024. The worker states that he/she structurally performs overtime which is not reimbursed. The worker will be contacted again within 10 days to move to the next stage” and the corresponding signature.** Once seen, the Ethics Officer goes to the bottom of the issue, involves stakeholders, analyzes costs to solve the problem, and communicates the issue to management. Once the problem is understood, the worker is involved via written invitation if successful with place, date and those present at the meeting to resolve the highlighted issue. Follow-up of the corrective action follows.

- Once the conciliation is completed, the result is published on company bulletin boards and sites.

Ensuring Compliance with the Code of Conduct

3. Sanctions

- In the event of a violation of the Code of Conduct, DULCOP INTERNATIONAL S.P.A. will ask the supplier to develop an improvement plan, with the support of DULCOP INTERNATIONAL S.P.A. if necessary, and implement it within a specified period of time, which may vary depending on the nature of the violation.
- Stakeholders must allow DULCOP INTERNATIONAL S.P.A. to disclose to third parties the names and positions of Stakeholders and production units, as well as information about their performance under the Code of Conduct.
- Stakeholders must offer assistance to DULCOP INTERNATIONAL S.P.A. and/or its representatives in conducting interviews to their Stakeholders and subcontractors, at the request of DULCOP INTERNATIONAL S.P.A. itself.
- In case of serious violations, including but not limited to child labor, forced or captive labor, bribery, fraud, use of counterfeit components, and use of unauthorized production units and/or in case of continued failure to implement agreed improvement plans, DULCOP INTERNATIONAL S.P.A. reserves the right to terminate the business relationship with the supplier, including cancellation of outstanding orders, if Dulcop should find a minor within.
- DULCOP INTERNATIONAL S.P.A. will hold Stakeholders liable for any damages and expenses incurred by DULCOP INTERNATIONAL S.P.A., including loss of revenue and/or profits, that may result from violations of the Code of Conduct by Stakeholders, including their subcontractor(s).



PREMIUM BUBBLE SINCE 1938
MADE IN ITALY

DULCOP INTERNATIONAL S.P.A. wishes to build long-term relationships with Stakeholders who are genuinely committed to working together to improve working conditions and environmental performance, and will help them overcome any difficulties.

For further clarification and advice on implementing the Code of Conduct, please write to
“ethical@dulcop.com”

Thanks