

Conflict Minerals Policy Statement

Background

Scottish Leather Group does not use Conflict Minerals in the production of its leather. There are global concerns that proceeds from the mining, trade and sale of conflict minerals (tin, tantalum, tungsten and gold) are being used to directly or indirectly finance armed conflict and violence in the Democratic Republic of Congo and several adjoining countries (the “DRC Region”).¹ In an effort to curb the violence, a portion of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) required the Securities and Exchange Commission (“SEC”) to issue rules relating to the use of conflict minerals or “3TG” within manufactured products. In August 2012, the SEC issued a final rule implementing the “conflict minerals” disclosure requirements of the Dodd-Frank Act (the “SEC Conflict Minerals Reporting Rule”). If an SEC registrant manufactures (or contracts to manufacture) commercial products containing “3TG” that are necessary to the products’ functionality or production, the Rule requires that company to determine the origin and status of those minerals.²

Our Commitment

Scottish Leather Group is committed to conducting its business worldwide with respect for human rights and in compliance with all applicable laws, as evidenced by Our Vision, Mission and Values. To that end, Scottish Leather Group is taking steps to determine the origin of any 3TG that may be necessary to its products’ functionality or production.³ Scottish Leather Group will work closely with its supply chain partners and will seek, over time, to identify, reduce and eliminate the use in its products of conflict minerals that originate in the DRC Region and support armed conflict or violence.

Our Expectations

Scottish Leather Group expects its suppliers to partner it to comply with the reporting requirements set forth in the SEC Conflict Minerals Reporting Rule. Specifically, Scottish Leather Group expects that its suppliers will:

1. Work with their own upstream suppliers to identify the chain of custody for any conflict minerals (including the smelter, country of origin, mine location and status of any conflict minerals that may be present);
2. Cooperate with Scottish Leather Group in connection with any due diligence (or additional due diligence) that Scottish Leather Group chooses to perform with respect to its country of origin inquiries;
3. Provide, upon request by Scottish Leather Group, reasonable proof of the due diligence performed by the supplier to support any country of origin/sourcing certification provided to Scottish Leather Group; and
4. As needed, assist Scottish Leather Group to identify opportunities to source DRC conflict mineral-free materials.

¹ "Conflict Minerals" or "3TG" are defined in Section 1502 of the Dodd-Frank Act as columbite-tantalite (the ore from which tantalum is derived), cassiterite (the ore from which tin is derived), wolframite (the ore from which tungsten is derived) and gold.

² Specifically, companies must determine whether: (i) any "conflict minerals" that are necessary to the functionality or production of a product originated in the covered countries; and (ii) whether the minerals directly or indirectly finance or benefit armed groups in the covered countries.

³ The due diligence process being followed by Scottish Leather Group is in material conformance with the current edition of the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and accompanying supplements.