

## SMaRT Legal Operation Policy

Approved by the MTS Executive & SMaRT Consensus Committees March 28, 2011

SMaRT requires corporate wide environmental and social responsibility and achievements over the supply chain including a mandatory environmental management system meeting ISO 14001 requirements, and further publicly disclosing environmental targets.

Many additional SMaRT prerequisites require legal operations in the countries of operation including:

- SMaRT's prerequisite for FSC Certified Wood thus ensuring a bona fide defense to Lacey Act strict criminal liability requiring that companies must not harvest and sell wood in violation of the laws of the country in which they operate.
- Prohibition of input and output Stockholm Treaty Toxic Chemicals banned by the 173 countries that ratified the Treaty
- ISO 14040 compliant LCA identifying 13 environmental impacts of the product over the global supply chain including all countries of operation
- Disclosure of social equity indicators that SMaRT manufacturer comply with where they operate including human rights, child labor, worker conditions, and community
- Performance durability requiring the product to function as intended meeting quality control standards thus limiting product liability violations of the countries where the product is made and sold

Violation of environmental, social, and other laws of the countries in which SMaRT manufacturers operate is inimical to the purpose of SMaRT and the Standard. Thus, as of the effective date of this SMaRT Policy, all SMaRT manufacturers must comply with the laws of the countries in which they operate.

This Policy is an official SMaRT Standard Interpretation pursuant to MTS Operating Procedures.

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