

X Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2017.

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Section 1 – Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure

Reasonable Country of Origin Inquiry Related to SEC Conflict Minerals Rule

Please refer to Rule 13p-1 (Rule 13p-1) under the Securities Exchange Act of 1934 (1934 Act) and the 1934 Act Release No. 34-67716 for definitions of terms used herein, unless otherwise defined herein. In accordance with Rule 13p-1 regarding ‘conflict minerals’ contained in its products for calendar year 2017, Bassett Furniture Industries, Incorporated (“BFI” or the “Company”):

- A. Established, in 2013, a six point compliance policy for all suppliers of products or components to the Company. Among other requirements, this policy prohibits the use of materials originating in the Democratic Republic of the Congo (DRC) or any adjoining countries and requires all suppliers to fully cooperate in conducting a reasonable country of origin inquiry.

Specifically, the policy provides that- *[p]ursuant to and in accordance with existing corporate disclosure policies, B. and in response to the obligations imposed by the SEC’s Conflict Minerals Rule, BFI has established the following compliance policy:*

- 1. BFI will undertake all necessary and appropriate measures to address due diligence and reasonable inquiries for its products in accordance with the requirements of the Conflict Minerals Rule.*
- 2. In addition to all other diligence and data compilation efforts, BFI will establish an internal program to coordinate thorough review of its supply chain on at least an annual basis.*
As part of such internal program and consistent with the standards and requirements of the final Conflict Minerals Rule, all BFI furniture suppliers and contractors will be required to (A) conduct a reasonable country of origin inquiry of any materials, products, or components sold or delivered to BFI under any supply agreement, and (B)
- 3. provide reasonable evidence to BFI certifying (i) that no conflict minerals originating from the DRC or any adjacent country were used in the products sold to BFI, or, (ii) that conflict minerals are included or contained in such materials, products, or components.*
Upon request, all suppliers will be required to provide (A) a detailed description of the materials, products, or components sold or delivered to BFI that contain conflict minerals, and (B) a detailed narrative explanation and
- 4. all relevant documentation evidence supporting the specific due diligence methods and standards utilized by the supplier to determine the original market source and country of origin of such conflict minerals.*
All suppliers will be required to fully cooperate with BFI at all times to coordinate and execute all necessary and
- 5. appropriate measures to compile and disclose information in furtherance of BFI’s compliance obligations under the Conflict Minerals Rule.*
All suppliers to BFI are required to develop policies for the reasonable prevention of any conflict minerals
- 6. originating from the DRC and surrounding countries to be contained in any materials, products, or components sold or delivered to BFI.*

