



WESTWING

# Private Label Supplier Code of Conduct

DECEMBER 2021

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## 01

## Introduction

“Creating sustainable value for customers in Home & Living retailing” is the goal we (the Westwing GmbH, in the following “Westwing”) pursue every day. As an internationally oriented company, we must rely on the support and the cooperation of our “Private Label Suppliers” (hereinafter referred to as “Suppliers”).

Westwing is committed to avoiding the negative impact of purchasing practices by maintaining stable partnerships, to the extent feasible, with its Suppliers.

This Code of Conduct is the basis for Westwing for any collaboration with Suppliers, no matter in which area. Westwing is committed to respect internationally recognized human rights and to ensure that it is not in any way complicit in human rights violations.

The principles of this code of conduct are based on the Conventions of the International Labor Organization (ILO), the United Nations Global Compact, the UN Universal Declaration of Human Rights, the UN Guiding Principles on

Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

We expect our Suppliers to align their operations and activities according to these principles. Furthermore, it is the responsibility of our Suppliers to disseminate and educate the principles of this Code to their suppliers.

We encourage our Suppliers to periodically assess their suppliers for conformance. Sub-suppliers shall comply with all local and national laws and regulations of the jurisdiction in which the suppliers are doing business as well as the practices of their industry.

Our Suppliers shall further work with suppliers who are committed to meeting required standards as per local and national laws.

Therefore, our Suppliers shall maintain or introduce structures, rules, environmental and social management systems, preferably based on international standards (e.g., ISO 14000, ISO 26000, SA8000) that ensure compliance with the following principles.

This also requires the implementation of a control system with internal audits at least once per year and a minimum level of documentation for at least 24 months, which is provided to Westwing upon request.

The Supplier permits annual external audits including documentation which may take place unannounced and are conducted by Westwing, its employees, its subsidiary agents or a third-party organization appointed by Westwing.

Westwing will attempt to work with the Supplier in case of non-conformance to this Code of Conduct and expects the Supplier to develop a corrective action plan to bring its operations into conformance within a reasonable timeframe to be agreed upon in collaboration with Westwing.

Westwing reserves the right to terminate business relations with a Supplier in cases of serious and persistent violations of basic human rights and of environment-related matters, intentional violations of laws and minimum standards or of the rules set out in this Code of Conduct.

The successful implementation of this Code of Conduct depends on cooperation, trust, and respect between the Supplier and Westwing. In this context, Westwing will provide trainings to its Suppliers and purchasing department, as required, to facilitate the correct implementation of this Code of Conduct.

All observations, discussions and written information received from the Supplier are to be treated confidentially by Westwing, its employees and any third-party organization appointed by Westwing.

Where national statutory regulations are applicable which contain more stringent requirements than this Code of Conduct, they will take precedence in all cases and are to be respected by our Suppliers. Should any of Westwing's requirements contradict national laws or regulations, the law shall always be complied with and prevail. In such cases our Suppliers shall immediately inform Westwing.

Compliance with applicable laws and other legislation in each country in which we operate, the relevant industry minimum standards as well as the Conventions of the International Labour Organization (ILO), are the basis for our sustainability-oriented business. We expect our Suppliers to accept this principle and to recognize the conditions and requirements laid down in this Code of Conduct as minimum requirements. We recognize that local standards in some countries where our Suppliers operate may have lower standards than those set out in this Code of Conduct. In such cases, we expect our Suppliers to adopt the standards outlined in this code.

Westwing reserves the right to regularly update this Code of Conduct. The currently valid version can be viewed at:

<https://ir.westwing.com/websites/westwing/English/5500/compliance.html>.

Our Suppliers are obliged to regularly inform themselves about the current version of this Code of Conduct.

# 02

## Employment practices and working conditions

### Forced labor

Any kind of forced labor is not acceptable for Westwing. Our Suppliers therefore must not use forced labor, neither in the forms of prison labor, slave labor, debt bondage nor other forms of work that violate basic human rights.

No employee may be made to work by force, threat of force or intimidation. This also applies to work obligations that are sanctions for the political views or opinions of the employee.

Further, personal documents or other belongings are not to be withheld and there should be no excessive notice periods or substantial fines for terminating the employment. Employees have the freedom to leave the premises when their work shifts end. These principles are also in line with the Modern Slavery Act 2015.

### Child labor

Our Suppliers must not employ children in the compulsory school age of the respective country; and in any case, they must comply with the applicable national legislation regarding the minimum working age. The minimum working age can be 16 years, 15 years, or 14 years in certain developing countries where educational facilities are less well developed.

Any exploitation of children and adolescents is illegal, and it is to be ensured that working conditions are provided which eliminate any danger, threat or other uncertainty for children and adolescents. Young workers (under 18) shall not perform hazardous work.

The Supplier must have a proof of age documentation for all workers. If child labor is identified either at the Supplier or at any sub-supplier, Westwing must be informed immediately.

### Discrimination

All employees must be treated equally and without discrimination. Decisions about hiring, remuneration, termination, promotion, benefits, training opportunities, work orders or disciplinary action should depend only on the professional qualifications and the quality of the work performance of the employees.

The above said decision shall not depend on or be based on certain personal characteristics or beliefs, race, ethnicity, descent, gender, gender identity, nationality, social background, religion, age, disability, marital status, sexual orientation, political opinion or membership in an organization.

## Disciplinary measures

Every employee shall be treated with dignity and respect. No employee may be physically, sexually, psychologically, or verbally harassed, abused, fined or exposed to other penalties as a disciplinary measure.

It must be ensured that employees can express criticism and concerns about the conditions in the workplace to their supervisor or management without fear of retribution, loss of employment or other reprisals.

## Migrant workers

Migrant workers shall have exactly the same entitlements as local employees. The employer must cover any commissions and other fees in connection with employment of migrant workers.

The employer must not require the employee to submit his/her identification documents. The withholding of bonds or deposits is not allowed. Workers employed through an agent or contractors are the responsibility of the Supplier and are thus covered by this Code of Conduct.

Effective measures are to be taken against the exploitation of migrant workers to protect them from all forms of discrimination and to offer them an appropriate support adequate to their special status including providing them with a written contract in a language they understand.

## Recruitment

There must be a written and signed contract in place with every employee they are able to understand which states position, salary, working hours, overtime compensation, benefits, and notice period. Workers shall be allowed legally mandated holiday, paid annual leave and time off when ill or for maternity leave.

Our Suppliers must not charge workers any recruitment fees. To every extent possible, work performed should be based on a recognized stable employment relationship.

Westwing is looking for Suppliers who continuously want to improve the living standards of their employees, whether through wage increases,

improved social benefits, welfare programs or other services that enhance the quality of life. Corrective actions required because of labor inspections are documented and completed within the specified timeframe.

## Remuneration

For the work accomplished within the normal working hours, employees must receive remuneration that meets, at a minimum, national legal standards and complies with industry benchmark standards. For extra hours the statutory surcharges are to be paid. In addition, a statutory form of social security must be ensured.

In countries where there is no minimum wage, an amount shall be paid to the employee that covers their cost of living and enables them to build up a minimum level of private assets. Wages must be paid on time and at least monthly.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

The Supplier must ensure equal remuneration for men and women workers for

work of equal value. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.

## Working hours

The locally effective legal requirements, industry and internal labor standards concerning work and rest periods are to be complied with by all Suppliers; regular breaks must be ensured.

The standard weekly working hours shall be defined by contract and shall not exceed 48 hours per week; overtime shall be voluntary and shall not exceed 12 hours per week except in exceptional circumstances. Overtime shall not be used to replace regular employment.

The total hours worked in any 7-day period shall not exceed 60 hours. After six consecutive working days each employee must receive at least one day off. A transparent and reliable system for records of working hours and wages for all workers must be maintained by our Suppliers.

## Freedom of association and right to collective negotiations

All Suppliers shall accept that their employees have the right at their own will to join, to found or to participate in associations (especially labor organizations such as trade unions) and to participate or organize collective bargaining without fear of reprisal, interference, intimidation, or harassment as far as this conforms to local law.

The Suppliers shall develop mechanisms and be ready to discuss complaints from employees and develop solutions for conflicts within the work organization; to establish this kind of basis an effective exchange of information is necessary, and the processes must be well known by all workers.

Westwing will strive to collaborate, as necessary with third parties to promote the rights to freedom of association and collective bargaining.

## Health and safety

Our Suppliers are responsible for ensuring a safe, hygienic, and non-health endangering work environment. This includes fire protection, protection from toxic substances and accidents as well as access to clean drinking water and sanitary facilities.

Appropriate precautions against accidents at the workplace and occupational illnesses are to be taken (e.g., through protective clothing and equipment); Suppliers will therefore establish and communicate safety regulations, work processes, training, and technical inspections.

Site emergency plans are developed and implemented, e.g., for fire, natural disasters and (chemical) accidents. First aid equipment must be adequately stocked and available and an adequate number of persons must be first aid trained and present during working hours.

A log of incidents and corrective action plans shall be maintained. These requirements also apply to social facilities and accommodation for employees if they are provided by the employer.

# 03

## Environmental standards

Responsible and prudent use of natural resources is a prerequisite for a sustainable business operation for us.

We therefore expect our Suppliers to define standards and implement procedures that enable a responsible use of resources.

All procedures should focus on the precautionary principle. We expect our Suppliers to introduce a management system to define, control and mitigate their adverse environmental impacts. Preferably this system should be based on an international standard, ISO 14001 or similar, and be third-party certified.

Our Suppliers must set ambitious targets for reducing their environmental impact and aim for continuous improvement in their environmental performance going beyond compliance.

Our Suppliers must reduce waste and emissions to air, ground, and water. They must also characterize and treat wastewater on site or use an external wastewater treatment facility. Emissions to outdoor air must be monitored and treated according to applicable permits and emission limits. Ground contamination must be prevented, and any contamination must be immediately acted upon.

Hazardous waste must be handled, stored, and disposed in an environmentally safe manner. They must handle chemicals in a safe way. They must contribute to the recycling and reuse of materials and products, reduce energy consumption, and strive for more efficient use of resources.

Our Suppliers shall have programs and systems in place to provide workers with safety information relating to hazardous materials and education to protect them from potential hazards.

Contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations must be in place, including accidents and emergencies, as well as mechanisms for immediate reporting to the competent authorities. Hazardous materials can include but are not limited to raw materials, isolated intermediates, products, solvents, cleaning agents and wastes.

Special attention is to be paid to local laws and regulations, industry standards or other requirements in the same amount as to international regulations and standards. Necessary permits, licenses and test reports must be obtained and

kept up to date. This includes but is not limited to emissions to air, noise, water discharge, ground contamination and animal protection.

Our Suppliers are to adhere to national laws and regulations regarding prohibition or restriction of specific substances in products and manufacturing.

# 04

## Business ethics and management

### Corruption and bribery

Fairness, integrity, and compliance with moral minimum standards are essential for a functioning business relationship.

Westwing does not tolerate any form of corruption, whether it is bribery or accepting or granting advantages or benefits. The same applies to other forms of influence such as fraud, extortion, embezzlement, or similar measures.

Our Suppliers should not, directly, or indirectly, offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or other improper advantage. Nor should enterprises be solicited or expected to render a bribe or other undue advantage.

Therefore, appropriate internal regulations and management control systems are to be implemented and communicated to uncover relevant influences and to prevent them. In addition, we ask all Suppliers to immediately notify us if there is a suspicion of, or any actual case of, corruption.

## **Gifts, hospitality, entertainment**

Our Suppliers must not give gifts or entertainment to Westwing employees or representatives that create a conflict of interest or the appearance of a conflict.

Modest gifts and hospitality may be permissible so long as they are not provided as a quid pro quo, are modest in value, infrequent, unsolicited, given on a customary gift-giving occasion, reasonable and customary in our business and permissible under the Westwing Code of Conduct, the policies of Westwing Suppliers' organization and comply with local laws. Cash and cash equivalents such as gift cards and gift checks are never acceptable.

## **Political contributions, donations, and sponsorships**

Our Suppliers shall avoid any political contributions, charitable donations, or sponsorships that would aim at or give the appearance of aiming at gaining an unfair competitive advantage or exercising improper influence.

## **Disclosure of information and privacy**

Our Suppliers shall disclose information regarding labor, health and safety, environmental practices, business activities, structure, financial situation, and performance consistent with applicable regulations. They shall not provide false or misrepresented records or reports of conditions or practices in their supply chain.

Furthermore, our Suppliers shall protect the privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. They are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## **Communication**

There must be a process for communicating clear and accurate information about our Supplier's policies, practices, expectations, and performance to workers.

## Fair business and competition

Standards of fair business and competition are to be upheld and national laws to protect free and fair competition must be complied with. Our Suppliers must refrain from entering into or carrying out anti-competitive agreements among competitors.

## Intellectual property

Our Suppliers shall respect intellectual property rights, ensure technology and know-how is transferred in a manner that protects intellectual property rights, and ensure that customer information is safeguarded.

## Whistleblower protection

Westwing's Suppliers who believe that a Westwing employee, or anyone acting on behalf of Westwing, is acting unethically, improperly or illegally should report their concerns swiftly via our whistleblower tool (<https://westwing.me/whistleblower>).

In addition, Westwing expects its Suppliers to implement safe internal reporting channels so that any concerns such as legal or ethical issues, can be brought up and investigated in a diligent manner while providing required whistleblower

protection. Our Suppliers shall also take action to prevent, detect, and correct any retaliatory practices.



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