



# Code of Conduct for Suppliers

## Introduction

BBH as an organisation has undertaken an obligation to act as a responsible member of society and to endeavour to achieve a sustainable future from an economic, social and environmental standpoint. In this context the working conditions of all the employees who are involved in the manufacturing process are just as important to us as the fact that our products do not harm the health of the end user and spare the environment, people and animals.

These standards and values are also very important to us in connection with our choice of suppliers. In that context, in addition to financial and commercial considerations we also take into consideration business ethical considerations with respect to working conditions, health, the environment, sustainability and animal welfare. We therefore also expect our suppliers to do business in a manner that is in accordance with our standards and values. In this Code of Conduct we have laid down in concrete terms what we expect from our suppliers in this regard. We are convinced that this will contribute to the further development of a sustainable purchasing policy, for which supply chain responsibility is the basis.

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## General

Suppliers are required to comply with the laws and regulations that apply in all the countries in which they operate. In addition, suppliers are obliged at all times to comply with international treaties and conventions that govern working conditions, public health, hazardous materials, animal welfare and the environment, even insofar as they do not apply in the country in which the supplier operates. This includes in particular the treaties and conventions of the United Nations (UN), the International Labour Organisation (ILO) and the European Union, such as:

- the Universal Declaration of Human Rights;
- the ILO conventions, which contain standards in respect of working conditions, such as the right to organise and collectively bargain, the right to protection against child labour, forced labour and discrimination, and standards with respect to working hours and remuneration;
- the UN conventions with respect to children's rights, discrimination and women's rights; and
- European directives with respect to waste processing, animal welfare, hazardous substances and the environment, including the REACH Regulations.

Suppliers must have all the relevant permits. Insofar as relevant permits have not yet been obtained at the time at which this Code of Conduct is signed, the supplier must ensure that it receives them within three months after it signs this Code of Conduct.

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## Working conditions

Suppliers acknowledge the right of freedom of association (including in the context of trade unions) and to act and bargain collectively, as laid down among other things in ILO Conventions 87 and 98. If that right is limited on the ground of national legislation, the supplier must facilitate and may not hinder comparable forms of independent and free association and negotiation to every extent possible.

Under no circumstances is discrimination on the basis of matters such as age, sex, religion, race, nationality, social background, political preference, physical defects, membership of employee organisations or sexual preference permitted. In this context suppliers must at least be in compliance with ILO Conventions 100 and 111 and the national legislation in the country where they operate.

Suppliers must remunerate their employees in accordance with the rules and laws that apply in that country. The employees' remuneration must be at least sufficient for them to support themselves, even in cases in which the minimum wage that applies in the country is lower. In any event, employees may not be exploited or perform forced labour. Working hours must be determined in accordance with the laws and rules that apply in the country in question and overtime must be compensated. Suppliers must be in compliance with ILO Conventions 1, 14, 26, 29, 105 and 131 and the national legislation in the country in which they operate.

Employee welfare is of paramount importance, in which context a healthy workplace and healthy working atmosphere must be safeguarded. ILO Conventions 155 and 164 are the guidelines in this context.

All forms of child labour are prohibited. In this context suppliers must strictly comply with the ILO Conventions governing child labour (Conventions 79, 138, 142 and 182), the UN Conventions governing child labour and the national legislation in the country in which they operate.

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## Health and safety

All products that are imported from overseas must be transported in containers that are declared gas free by an independent organisation at the Port of Rotterdam, the Netherlands. Under absolutely no circumstances will we accept any containers without an official gas-free declaration.

Substances that are not permitted in accordance with European standards and regulations may not be used in products.

If and as soon as it has been determined that a substance is not in accordance with European standards and regulations, the use of that substance must cease immediately. In such cases we will consult with the supplier to jointly look for better alternatives.

We endeavour to make use of only packing materials that are PVC free. Insofar as suppliers use PVC in the packing materials that they produce for us they must notify us of that fact within three months after this Code of Conduct has been signed and consult with us regarding the manner in which and the term within which it will be possible to switch to an alternative.

In order to safeguard the quality of the products and to comply with the obligations that are imposed on us and our suppliers under the European REACH Regulations and other relevant regulations, within three months after this Code of Conduct has been signed suppliers must send us a complete list of all the materials and substances that are used in the products and employed in manufacturing them. The suppliers must subsequently inform us immediately as soon as there are any changes with respect to the materials and substances processed and applied as referred to above.

Suppliers must regularly test their products (or have them tested) in connection with safety, public health, construction and sustainability and must collaborate with us if necessary in connection with conducting such tests.

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### The environment and animal welfare

Suppliers must comply with international and national laws and regulations governing the environment and animal welfare. The underlying basis should be a responsible and sustainable environmental policy and the choice, where possible, for environmentally friendly processes and products. Suppliers must take measures to protect the environment and animals and endeavour to achieve energy savings, decrease packaging waste, and promote recycling and a reduction in the emission of CO<sub>2</sub> and other environmentally harmful substances.

The supplier must have a procedure for the safe treatment, storage, transport, use and removal of waste. Waste must be separated, and chemical/hazardous waste must be removed properly.

With respect to products that contain wood, the legality and origin of that wood must be documented. The use of wood having an unlawful origin or types of wood named in Appendix I of the CITES list (Convention on International Trade in Endangered Species) is not permitted.

Any form of infringement of animal welfare is prohibited. Products that contain natural materials, such as down and feathers, must come from animals that were dead before they were plucked. Down and feathers plucked from living animals are not permitted. Raw materials from animals that have been abused in order to make foie gras also may not be used.

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### Bribes and gifts

Suppliers may not pay or accept any bribes, including gifts, in order to obtain services, assignments or other benefits (including financial benefits) and may not otherwise be engaged in corruption within the meaning of the OECD guidelines.

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## Confidential information

In the context of their relationship with us suppliers may obtain company confidential information from us, from other companies within the BBH group or from the BBH group's business relations. Such information may be used only in the context of the performance of an agreement between the supplier and us. Company confidential information may never be shared with third parties or made public. Suppliers must also notify their employees of this obligation. In addition, suppliers are not allowed to appropriate company property from us, from other companies within the BBH group or from Beter Bed's business relations or use such property for their own benefit.

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## Social media policy

The products, trademarks and company names of the BBH group of companies are discussed in the social media on a regular basis. In that context we have notified our employees that they must conduct themselves online in the same manner as they do at the workplace. This means that they must respect general standards of decency, may not share any business-critical and confidential information and may not embarrass customers, shareholders, suppliers, colleagues or competitors.

We also expect our suppliers and their employees to be conscious of their responsibilities when using social media. Among other things this means that suppliers must notify their employees that they are obliged to respect the above-mentioned standards and that suppliers will take measures in the event that those standards are violated.

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## Competition

We consider honest competition to be very important. This means that we will not abuse our own position of power, if any, and we will not make any agreements (including secret agreements) with third parties that are contrary to competition law, including price-fixing agreements. Of course it is extremely important that suppliers also comply with this obligation and do not abuse any position of power or make illegal price-fixing agreements.

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## Advertising

Suppliers are not permitted to use trademarks, logos, distinctive marks and trade names of ours or of other companies within the BBH group or pictures of our products in commercial communications, unless we have given prior written permission to do so. This also includes any use of the trademarks, logos, distinctive marks and trade names on products and packaging that are not produced for a company within the BBH group.

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## Suppliers and business agents

Suppliers must impose obligations that are in accordance with this Code of Conduct on their suppliers, business agents and subcontractors. BBH considers it very important to be able to trace the origin of products. Suppliers must therefore lay down the identity of their suppliers and subcontractors and make that information available to BBH immediately upon request.

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## Compliance and monitoring

This Code of Conduct contains general rules; it cannot provide for every possible situation. This means that suppliers must take their own responsibility in respect of matters that have not been covered and must act at their own discretion in accordance with this Code of Conduct.

Each year random inspections will be conducted at suppliers to confirm their compliance with the Code of Conduct. Suppliers undertake to fully cooperate with both announced and unannounced inspections and to allow the monitoring organisation designated by BBH to inspect any and all relevant information and circumstances and to provide access to all manufacturing locations such as workshops and factory buildings. Inspections will not be forced, but a refusal to cooperate will be reported and may lead to termination of the relationship with the supplier in question.

The monitoring organisation will ensure that the products and the manufacturing processes are in accordance with this Code of Conduct. If violations are discovered, we will stipulate a term within which the violation must cease. If it appears after a subsequent inspection that the violation has not ceased within the term stipulated we will be entitled to terminate the relationship with the supplier in question effective immediately.

In the event of a serious violation, to be determined exclusively at our discretion, the supplier must submit a concrete plan – in consultation with us – that clearly describes the manner in which and terms within which the violation will cease. We must approve that plan. If the plan is not carried out in full within the terms stipulated we will be entitled to terminate the relationship with the supplier in question effective immediately.

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## Signature

Signed to indicate acceptance and initialled on each page:

On behalf of: .....  
(supplier's company name)

Address: .....  
.....  
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.....

By:

Name: .....

Position: .....

Date: .....