Suppliers' Directive - Code of Conduct -

Sustainable development is an important corporate objective for VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG (in the following called VS). We demonstrate our commitment to achieving this objective with an environmental management system which is certified to DIN EN ISO 14001, an energy management system certified to DIN EN ISO 50001 and our participation in the UN Global Compact. In this context, we place requirements on our suppliers and their supply chain with regard to human rights, labour standards, environmental and energy standards, business ethics as well as environmental protection and safety. Below you will find the most important relevant requirements. We would ask you to provide us written confirmation that you comply with these conditions.

This Supplier Directive is based on national and international laws, regulations and conventions such as:

- the German Act on Corporate Due Diligence in Supply Chains,
- the Universal Declaration of Human Rights of the United Nations,
- the guidelines for the rights of children and corporate action
- the United Nations Guiding Principles on Business and Human Rights
- the international labour standards of the International Labour Organization, and
- the United Nations Global Compact.

Compliance with all applicable laws and regulations is a matter of course for VS. This Agreement is the Basis for all future deliveries and business relationships. The contractual partners agree to comply with the listed standards and regulations and to contractually obligate their subcontractors.

I. Human rights and working conditions (social responsibility)

Prohibition of child labour

No child labour is allowed to be used in any process. Compliance with the ILO Minimum Age Convention (No. 138) is required. The contract partners must take immediate measures that lead to an instant end of child labour.

Prohibition of slavery, slave-like practices and forced labour

Employees are not allowed to be employed or forced to work against their will. All forms of slavery, slave-like practices, bondage or other forms of domination or oppression are prohibited. Employees must be able to terminate work or employment at any time. There shall be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment and humiliation.

Freedom of association

VS expects that its suppliers, in accordance with national legislation, respect the rights of employees to form or join a labour union, the right to bargain collectively and to exercise rights in this regard. The formation of or participation in a labour union shall not be used as a reason for unjustified discrimination or retaliation.

Wages and social benefits
Suppliers must comply, at a minimum, with national minimum or collectively-agreed wage scales. Remuneration must enable employees to lead a life of human dignity.

Health and safety in the workplace
Workplaces must comply with internationally recognized health and safety standards. Suppliers shall take measures to prevent the frequency of accidents and the occurrence of health risks.
The employees must be appropriately trained and, if necessary, equipped with protective clothing and work equipment in order to avoid exposure to chemical, physical or biological substances.
The contract partner is committed to working conditions that comply with the applicable regulations regarding working hours and breaks. The employees have access to sufficient drinking water and clean sanitary facilities.
If the suppliers company provides accommodation for employees, this must comply with humane conditions. If it provides food and catering, this must comply with recognized health and hygiene conditions.

Integration of persons with disabilities
Suppliers must provide special support for people with disabilities. Action must be taken to encourage the recruitment and training of people with disabilities.

Prohibition of discrimination
VS suppliers are obliged to protect, respect and promote equal treatment, the dignity, privacy and personal rights of each individual. Any kind of discrimination in the hiring of employees, as well as in the promotion or granting of training and development measures, must be prevented. No employee should be discriminated because of his or her gender, age, ethics origin, health status, disability, sexual orientation, political opinion, religious affiliation or world view.

Preservation of the natural basis of life
The supplier shall not, in violation of legitimate rights, deprive land, forests or waters, the use of which secures the livelihood of persons. He shall refrain from harmful soil changes, water and air pollution, noise emissions as well as excessive water consumption if this harms the health of persons, significantly impairs the natural basis for the production of food or prevents the access of persons to safe drinking water or sanitary facilities.

Complaint mechanisms
The business partner must ensure that employees can report violations of the contents of this Supplier Directive freely and without fear of retaliation. Further instructions and information on how to reach us, who is responsible and how to conduct the complaints procedure are published on the VS homepage.

II. Environmental and energy standards (ecological responsibility)

Responsibility

National environmental regulations and laws must be complied with. The business partner assures VS of compliance with the following prohibitions:

- Prohibition on the production, use and treatment of mercury-added products, wastes and compounds. (Minamata-Convention)
- Prohibition of production and use of persistent organic pollutants (POPs-Convention)
- Prohibition of non-environmentally handling, collection, storage and disposal of waste.
- Prohibition of export and import of hazardous wastes (Basel Convention)

Suppliers of VS should have their environmental and energy goals defined in their corporate policies. If not existing, the introduction of an environmental management system should be attempted.

Ecological production

We regard the following as fundamental aspects of environmentally-friendly production:

- using energy and materials economically throughout the production process (recycling);
- promoting the use of renewable energies;
- minimising consumption of the natural resources of water, land and air;
- reducing or minimising emissions and waste;
- ensuring that there are rules which ensure that hazardous substances are handled in a way which protects employees/workers and the environment;
- arranging for production locations and plants to be audited in cyclical phases in relation to environmental issues.

Environmentally-friendly products

Materials an products delivered to VS must comply with the following criteria:

Packaging

Goods must be appropriately protected against damage and unnecessary packaging should be avoided. Only packaging material which can be recycled should be used; whenever possible, packaging should be made from recycled materials. Whenever possible reusable packaging should be used.

Harmful contents

- Substances that are on ECHA's SVHC candidate list have to meet the maximum limit values and are subject to the information obligation under Article 33 of the REACH regulation.
- Substances that are listed in Annex XIV of the REACH ("Authorization List") must be registered.
- Products containing electronic components have to compliant with the RoHS guideline.
- In addition the Chemicals Prohibition Ordinance must also be complied with.

Transportation
In order to protect the environment and to reduce traffic noise the staff of the transport and forwarding companies must be trained on terms or energy efficient driving.
Unnecessary haulage should be especially avoided. The effect of vehicle characteristics and driver behaviour should be explained to the staff to establish an awareness of anticipatory driving.

III. Business ethics

Combating corruption
Corruption must not be tolerated. The UN Convention against Corruption and the Organisation for Economic Co-operation and Development (OEDC) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions must be complied with. Action- must be taken to ensure that VS employees are not offered any benefits in exchange for orders or any other business advantages.

Confidentiality and data protection
The supplier undertake to meet the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The supplier shall comply with data protection and information security laws and government regulations when collecting, storing, processing, transmitting and disclosing personal information.

Intellectual property
Intellectual property rights shall be respected; technology and know-how transfers shall be made in a manner that protects intellectual property rights and customer information.

Gifts
Invitations and gifts shall only be made to VS employees where the occasion and scale is appropriate, i.e. they may only be of modest monetary value and must be consistent with local customary business practice.

Fair competition
VS expects its suppliers to behave fairly in competition and to observe the applicable anti-trust laws. Suppliers shall neither participate in agreements with competitors that violate anti-trust laws nor abuse a possibly existing dominant market position. Agreements between customers and suppliers aimed at restricting customers' freedom to autonomously determine their prices and other conditions for resale are prohibited.

Money laundering and terrorist financing
VS expects its suppliers to comply with relevant legal obligations to prevent money laundering and not to engage in financial transactions that directly or indirectly support laundering or terrorist financing.

IV. Acknowledgement and agreement of the supplier

We expect our suppliers to identify risks in relation to their supply chains and to take and document appropriate measures. In the event of suspected violations, as well as to safeguard supply chains with increased risks, the supplier will inform VS promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

The Company shall verify compliance with the standards and regulations set forth in this Supplier Policy by means of a supplier self-disclosure questionnaire, as well as risk-based audits at the Supplier's production sites. The supplier agrees that VS may conduct such audits once a year or on specific occasion to verify compliance with the Code at the supplier's production sites by persons appointed by VS.

Should a violation of the regulations of this Code of Conduct be identified, VS shall notify the supplier of the violation in writing and set a reasonable grace period for the supplier to bring its conduct into compliance with these regulations. If a remedy is not possible in the foreseeable future, the supplier shall notify VS immediately and, together with VS, draw up a concept with a time schedule for ending or minimizing the violation. If such a violation occurred culpably, the grace period expires unsuccessfully or the implementation of the measures contained in the concept does not bring about a remedy after the expiration of the time schedule or no milder remedy is available, VS may terminate the business relationship and terminate all contracts after the deadlines set have expired unsuccessfully. A statutory right to extraordinary termination without setting a grace period, in particular in the case of violations to be considered very serious, remains unaffected, as does the right to claim damages.

Confirmation „Suppliers' Directive - Code of Conduct - "

The content of the information „Supplier Directive – Code of Conduct – „ is part of the order placement.
By signing this document, the supplier commits to act responsibly and to comply with the principles/ requirements listed. The supplier undertakes to communicate the contents of this code to its employees, agents and subcontractors and to take all necessary precautions for the implementation of the requirements.

We hereby acknowledge the Directive and undertake to comply with it.

Date: ..... **Company stamp: .....**

Name: ..... **Signature: .....**