

## Section 2 Code of Conduct

In today's international marketplace, we have become increasingly aware of our need to ensure that Crate and Barrel, its agents, and its vendors (1) treat all employees with the highest level of respect and regard for their rights and (2) not engage in any form of fraud, bribery, corruption or other similar wrongful conduct in our collective business practices. Accordingly, we have instituted a Code of Conduct for our suppliers, agents and ourselves.

This Code of Conduct follows in the next few pages. **You must read through the Code of Conduct carefully and alert us immediately if you have any questions or concerns regarding your ability to comply with its provisions.** Attached to the Crate and Barrel Vendor Operations Guide is an acknowledgement page indicating that you have read the Code of Conduct and will abide by its contents. Furthermore, Crate and Barrel is a member of The Otto Group and as such, a signed Code of Conduct by our Business Partners will be accepted by other Otto Group companies. Conversely, Crate and Barrel will accept a signed Code of Conduct from other Otto Group companies.

It is of the utmost importance that we work together at all times to protect the human rights of all people who are affiliated with Crate and Barrel. In addition, on the domestic front it is our expectation that all of our suppliers abide by the established employment recommendations of the U.S. Labor Department. Our Code of Conduct policy is based on the SA8000 global social accountability standard developed and overseen by Social Accountability International (SAI). For additional information regarding SA8000, please visit <http://www.sa-intl.org/>. Finally, we require that all of our agents and vendors comply with the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1 et. seq.) (the "FCPA"), the UK Bribery Act and any other applicable anti-corruption, anti-bribery laws.

As a supplier, you are critically important to the success of Crate and Barrel in bringing new and innovative products to our customers. We expect and require that you join us in prioritizing these important issues and your support is most appreciated. If you have any issues regarding adhering to this policy, your Crate and Barrel Product Manager or Agent is always available to discuss your concerns. We thank you in advance for your cooperation.

## Code of Conduct Policy

Crate and Barrel believes in social responsibility, environmental protection and fair cooperation as the key tenets of our business relationships. This Code of Conduct sets forth the fundamental requirements that Crate and Barrel imposes on its suppliers. These firm principles are consistent with the Business Social Compliance Initiative (BSCI), the conventions of the International Labor Organization (hereinafter referred to as "ILO"), the United Nations Universal Declaration of Human Rights, the U.N. Conventions on the Rights of the Child and for the Elimination of All Forms of Discrimination Against Women, the principles of the U.N. Global Compact as well as the OECD Guidelines for Multinational Enterprises. The principles set forth in this Code of Conduct are not to be regarded as maximum requirements; but they are to be exceeded whenever possible.

**1. Scope of Application** This Code of Conduct forms the basis of all business relationships in reference to all national and international production processes and sites with regard to the final processing level (hereinafter "Production Sites") for the commodities and non-commodities purchased by Crate and Barrel. It applies around the world to Crate and Barrel itself, its direct business partners and any other suppliers working on their behalf in relation to the production of goods for Crate and Barrel (hereinafter collectively "Business Partners"). Each Business Partner guarantees, and is responsible for procuring, acceptance of and compliance with the principles set forth in this Code of Conduct.

**2. Legal Compliance** At the various Production Sites, the strictest of all applicable national and international laws and regulations, industrial norms, ILO and U.N. conventions as well as all other relevant provisions, including but not limited to the FCPA, the UK Bribery Act and all other applicable anti-fraud, anti-corruption, and anti-bribery laws (hereinafter collectively the "Regulations") shall be observed. Compliance with this Code of Conduct as well as with the Regulations must not be circumvented by manipulating the terms of employment or taking comparable actions (e.g., false training programs).

**3. Child Labor / Young Employees** Crate and Barrel does not tolerate child labor or any other form of exploitation of young employees by Business Partners. **The minimum age for employment must not be below either the age at which compulsory education ends or the age of 15.** Subject to the exemptions granted under ILO, national regulations designed to protect children and young employees must be strictly observed. Compliance with the ban on child labor and the limitations imposed on the employment of young employees must be ensured. In particular, but without limiting the restrictions imposed, young employees must not be exposed to dangerous, unsafe or hazardous conditions. In the event of violations against this ban, the Business Partner shall promptly take, and document, remedial action on behalf of any endangered children or young employees. In addition, the Business Partner shall take such actions and implement such processes as may be necessary to see to the rehabilitation and social integration of any endangered children and young employees and must further enable them to finish school in accordance with domestic regulations. ILO Conventions 79, 138, 142, 182 as well as ILO Recommendation 146 apply.

**4. Discrimination** Any form of discrimination in hiring and employment practices, including any distinction, exclusion or preference based on race, caste, skin color, gender, age, religious belief, political opinion, membership in workers' organizations, physical or mental disability, ethnic, national

or social background, nationality, sexual orientation, **gender identity** or any other personal characteristic protected by applicable law, is prohibited. This is the case irrespective of whether such distinction, exclusion or preference originated with the Business Partner. ILO Conventions 100, 111, 143, 158 and 159 apply.

**5. Harassment and Abuse** A Business Partner's employees must enjoy a workplace free of harassment and abuse. No employee should be threatened with, or subjected to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

**6. Freedom of Association and Collective Bargaining** A Business Partner's employees must be protected against any variation in treatment that is related to their employment and aimed against their freedom of association. Their rights to form join or leave and work for associations or other organizations dedicated to promoting and protecting employee interests at their own discretion must be respected, and the pursuit of such activities must not be impeded. If the freedom of association or collective bargaining is restricted by law, a Business Partner's employees must at least be permitted and enabled, by way of an alternative, freely and independently to associate for bargaining purposes. ILO Conventions 87, 98, 135 and 154 as well as ILO Recommendation 143 apply.

**7. Forced or Compulsory Labor** Crate and Barrel tolerates no form of forced or compulsory labor, bondage, servitude, slavery or conditions similar thereto. It also disapproves of prison labor. A Business Partner's employees must not be compelled to work by way of violence or intimidation, be it directly or indirectly. Instead, all employees must have sought work and/or employment on their own free will. ILO Conventions 29 and 105 apply.

**8. Disciplinary Measures** A Business Partner's employees must be treated with dignity and respect. Sanctions, fines and other penalties or disciplinary measures must (i) conform with applicable national and international laws and regulations and (ii) be imposed in accordance with internationally recognized human rights standards and best practices.

**9. Working Hours** Working hours must comply with the applicable laws, industry standards and relevant ILO conventions, in accordance with whichever standards are more stringent. The maximum number of weekly hours permitted by applicable law must not be exceeded, and, regardless of applicable law, a Business Partner's employee's weekly hours must not on a regular basis exceed 48 hours or 60 hours with overtime. Individual business and employment models are subject to pertinent national and international laws and regulations, including but not limited to the exemptions granted under ILO. The same is true in the event of serious disruptions to the regular course of business. Following each six consecutive days of work, employees must be permitted at least one day (24 hours) of rest. A Business Partner's employees cannot be compelled to work overtime, and any overtime worked must be compensated separately in accordance with all applicable laws and regulations. ILO Conventions 1 and 14 apply.

**10. Documentation of Employment Relationship** Each Business Partner guarantees that its employees' terms of employment (e.g., commencement and duration of employment, hours, wages, incentives, and benefits, etc.) in relation to relevant production stages are documented accurately, completely, and in writing, including but not limited to employee name, date of birth and, whenever possible, residential address. Each direct Business Partner further guarantees that their suppliers and business relations are documenting both (a) the employment relationship in this way and (b) their

agreed compliance with the other terms and conditions of this Code of Conduct Policy. Domestic labor and social insurance regulations must not be circumvented in any way.

**11. Compensation** Each Business Partner guarantees that the wages paid to its employees equal or exceed the minimum wage prescribed by applicable law or applicable industry-specific custom or practice, whichever is higher. The wage paid shall be sufficient to cover an employee's basic needs. Illegal and unjustified wage deductions, including but not limited to those instituted as direct or indirect disciplinary measures, are prohibited. Wages must be disbursed in a manner that is convenient and readily accessible for employees (e.g., in cash or by check), and employees must be informed of the composition of their wages in a comprehensive manner, in writing, in regular intervals and in sufficient detail. ILO Conventions 26 und 131 apply.

**12. Health and Safety** Each Business Partner shall provide a safe and healthy working environment. The Business Partner shall adopt the measures needed to prevent any accidents and/or health hazards as may arise in connection with work. For this purpose, Business Partners put into place systems capable of detecting, avoiding and responding to potential health and safety hazards. In addition, each business partner must guarantee, and document, that employees are periodically updated and trained on applicable health and safety laws and regulations and any necessary precautions or procedures to maintain a safe and healthy working environment. Access to clean toilets and to clean drinking water must be provided in sufficient quantities throughout all working hours. Insofar as dormitories or housing are available, they must be kept clean and safe and cover basic needs, including without limitation clean toilet and bathing facilities and clean drinking water, and the charge for any such dormitories or housing must be reasonable and if mandatory must not reduce the employees' wages below the minimum. ILO Convention 155 applies.

**13. Emergency Prevention, Preparedness, and Response** Each Business Partner shall identify and assess potential emergency situations. For each situation, the Business Partner shall develop and implement emergency plans and response procedures that minimize harm to life, environment, and property.

**14. Environmental Protection** The protection of nature and the environment is an integral component of Crate and Barrel's business practice. Each Business Partner must comply with all applicable environmental laws and regulations. Each must further undertake an ongoing effort to prevent and reduce contaminations by hazardous materials or other dangerous or unhealthy substances. Processes and standards prescribed for waste management, for the handling and disposal of chemicals and other hazardous substances, and for emissions and wastewater treatment must be observed, with special emphasis placed on the protection and preservation of natural resources as well as on the promotion of environmentally friendly and socially responsible production processes.

**15. Information and Communication** This Code of Conduct must be prominently displayed in the language(s) of the country in which the Business Partner's facility(ies) is located as well as in any other language(s) as in the primary language of the employees at the facility(ies), and freely accessible to all of the Business Partner's employees. To individuals who cannot read, the Code of Conduct must be explained verbally on a periodic basis (at least annually).

**16. Fraud, Bribery and Corruption** Crate and Barrel does not tolerate any form of fraud, bribery or corruption, and each Business Partner as well as its employees must conduct themselves in such a way so as to avoid personal dependency, obligation or interference. Specifically, each Business

Partner and its employees, agents, and anyone acting on its behalf, shall not offer, give, or promise, either directly or indirectly, to any officer or employee of a foreign government or any department, agency or instrumentality thereof, or to any person acting (or having the capacity to act) in an official capacity for or on behalf of any government or department, agency, or instrumentality thereof, any money or thing of value for the purposes (or having the effect) of influencing any act or decision, inducing such official to do or omit any act, securing any improper advantage, or inducing such official to use his/her or its influence with a foreign government or any department, agency or instrumentality thereof. Nor shall any Business Partner (or any of its employees, agents or anyone acting on its/their behalf) engage in any conduct which does or which may violate the FCPA, the UK Bribery Act, the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1 et. seq.) or the United Nations Convention against Corruption, or any other applicable laws, conventions, treaties, and multilateral instruments created to prevent and combat fraud, bribery and/or corruption. Each Business Partner, as well as its employees, agents and others acting on its behalf, is expected to exhibit a professional manner informed by fairness and full compliance with applicable national and international regulations, conventions, treaties, and laws. In addition, to bolster and ensure compliance with this provision, each Business Partners shall introduce anti-fraud, anti-bribery and anti-corruption policies to be observed by all business divisions. Where gifts are presented in adherence with an applicable country's individual customs or etiquette, care must be taken to ensure that (i) such gifts do not give rise to obligatory dependencies and (ii) applicable domestic regulations are observed and (iii) any such gifting is in compliance with the Crate and Barrel Gift Policy (set forth fully below). Information on any violations of this provision or any practices that are or could be perceived or deemed to be corrupt must be reported to Crate and Barrel immediately and in writing as noted in item 21.

**17. Conflicts of Interest** Business Partners must disclose any actual or potential conflict of interest, and discuss it with Crate and Barrel's management. Any activity that is approved, despite the actual or apparent conflict, must be documented.

**18. Management Systems** In order to implement, ensure compliance with and monitor the principles set forth in this Code of Conduct, each Business Partner must introduce a management system, which must include clear responsibilities and processes as well as adequate documentation. Documenting, implementing, enforcing and improving the principles set forth in this Code of Conduct require ongoing monitoring, which shall be documented. Each direct Business Partner shall ensure that any other suppliers working on its behalf also has written notice of, is bound to observe, and observes the principles set forth in this Code of Conduct.

**19. Monitoring Code of Conduct** Each Business Partner must submit itself and its Production Sites to social audits and/or audits of books and records, whether by Crate and Barrel or by its agents or designee, at the request of Crate and Barrel. Each direct Business Partner guarantees that, whenever the need arises, Crate and Barrel itself or any third party authorized by Crate and Barrel may conduct a review of the Business Partner's compliance with the principles set forth in this Code of Conduct at the direct Business Partner or other suppliers working on its behalf. For this purpose, each direct Business Partner shall identify to Crate and Barrel in writing all Production Sites used in (or tangential to, as in, for example, the case of dormitories or other housing) the production of goods or services of any kind for Crate and Barrel.

**20. Sanctions and Remedial Actions** Crate and Barrel is entitled to monitor compliance with this Code of Conduct. Insofar as instances of non-compliance are identified, the affected Business Partner is obligated to take immediate remedial action and to complete such remedial action as soon as is

reasonably possible under the circumstances, with all due speed and attention and best efforts from the Business Partner. Crate and Barrel's right to terminate the business relationship with a Business Partners is not compromised by any such remedial actions being taken, and such right applied equally to the Business Partner itself and to any suppliers working on its behalf (which Crate and Barrel may require be terminated) in the event of a violation of this Code of Conduct.

**21. Procedure for Complaints** All Complaints or information about violations of this Code of Conduct must be reported promptly to Crate and Barrel (see below for contacts) any time that they arise. Individuals filing a complaint are asked only to report information they believe to be true. No Business Partner may retaliate in any way against an individual (or group of individuals) for a complaint or information being reported. Each Business Partner guarantees that individuals and group of individuals filing complaints will not be subject to retaliation, reprisals or disciplinary action of any kind.

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