



Esschert Design B.V. Code of Conduct for Business Partners
2025

1. Introduction and aim

The Esschert Design Code of Conduct (hereafter “Code”) outlines the social, safety and environmental principles that Business Partners, i.e. suppliers, producers and all other stakeholders including subcontractors are required to adhere to. This Code is based on international standards including, but not limited to, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the conventions and recommendations from the International Labour Organization. Esschert Design is a member of amfori and therefore the principles of the amfori BSCI Code of Conduct form an integral part of this Code. This Code sets out minimum standards in order to produce in a responsible and ethical manner. It is the responsibility of the signatory of this Code to cascade it to all subcontractors and other relevant stakeholders throughout the supply chain.

We highly value sustainable procurement and production and expect the same from our Business Partners. By signing this Code you commit to adhere to all its principles. Non-compliance with the principles is not without consequences. Any (consistent) refusal to comply or lack of a sufficient corrective action plan in case of non-compliance can lead to revaluation or termination of the business relationship.

This Code applies to all Business Partners that have an (in)direct business relationship with Esschert Design B.V., Esschert Design USA, Esschert Design Asia, Esschert Design Scandinavia (Gardenlife), Esschert Design UK (Fallen Fruits) and Esschert Design Baltics. If there are any questions or unclarities with regards to this Code, its principles or other ESG and sustainability related issues, please contact sustainability@esschertdesign.nl. This Code will be revised each year and updated accordingly. Significant changes will be communicated directly.

2. General principles

2.1 Legal requirements

Local and international laws and regulations must be adhered to at all times. In countries where laws and regulations are in conflict with, or set a different standard of protection than this Code, Business Partners should seek ways to abide by the principles that are most favourable to the workers and/or have the least impact on the environment and shall ensure to contact us prior to deviation from this Code.

2.2 Social compliance systems

In order to verify compliance with this Code a social audit by an independent and renowned organization can be required. We recognize and accept a SMETA¹ audit and certificates of SA8000², ICTI³ WRAP⁴ and BSCI⁵. Since Esschert Design is amfori member we can assist Business Partners by

¹ Sedex Members Ethical Trade Audit

² Social Accountability 8000

³ ICTI Ethical Toy Program

⁴ Worldwide Responsible Accredited Production

⁵ Business Social Compliance Initiative

requesting their social audit. Please contact us if your social audit certification scheme is not mentioned above.

2.3 Transparency

In order to conduct proper environmental and human rights due diligence it is important to know where the production takes place. It is therefore required to disclose at least the Tier 1 production locations at the procurement process. If there are any changes in the factory base it should be communicated to us prior to production. In the context of future EU-legislation we encourage you to disclose subcontractors from Tier 2 to Tier 4 (raw material producers) as well. For suppliers of commodities that fall under the EUDR (2023/1115), it is already mandatory to disclose all suppliers, agents, and producers up to the raw material producer.

3. Social and Environmental principles

3.1 The rights of freedom of association and collective bargaining

The signatories of this Code commit to respect the right of workers to (a) form and join trade unions – or refrain from doing so – and bargain collectively, in a free and democratic way, without distinction whatsoever and irrespective of gender; (b) ensure meaningful representation of all workers; and (c) not discriminate against workers because of trade union membership.

Worker representatives and recruiters should not face any barriers to access the workers in the workplace or from interacting with them.

In countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, workers should be facilitated to elect their own representatives who can enter into dialogue with the factory management.

3.2 Fair remuneration

The signatories of this Code commit to pay at least the wages mandated by governments' minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours and should be paid in a regular, timely and stable manner. Deductions are only permitted if it is defined in (local) law or fixed by a collective agreement.

The wage gap between the (local) living wage and the actual wage should be assessed and the goal is to work progressively towards the payment of a living wage.

Workers who work on piece-rate base should earn at least the wage which meets the (local) minimum wage, industry standards or collective bargaining agreements within the standard working hours.

Equal work means equal pay and it is therefore not allowed to provide less remuneration to certain workers based on gender, background or other discriminatory characteristics. Furthermore, workers should be provided with the social benefits that are legally granted.

3.3 Occupational Health and Safety

The signatories of this Code commit to (a) respect the right to healthy working and living conditions of workers and local communities; (b) comply with (international) standards where national OHS legislation is poorly enforced; (c) establish systems to assess, identify, prevent and mitigate threats to the health and safety of workers; and (d) train departments and individuals on OHS and safety risks.

Effective measures should be taken to prevent workers from having accidents or injuries, and in case of an accident the workers should be protected by a compulsory insurance scheme. Records of health and safety incidents should be properly archived. In the case of an incident as a result of historical or actual failure of adherence to the OHS principles, the concerning workers should be compensated properly.

All appropriate measures should be taken to ensure the stability and safety of the equipment and buildings that are in use. This includes all relevant licenses and documentation.

In dangerous situations and uncontrolled hazards, the workers should be notified immediately and their right to leave the premises should be respected.

Adequate occupational medical assistance should be provided to all workers in case of an accident

All workers should have access to clean drinking water and eating and resting areas. Furthermore, separate toilets with adequate level of privacy and amenities should be available. In the case that residential facilities are in use, they should be clean, safe and meet all the basic needs of the workers.

Personal Protective Equipment (PPE) should be provided to all workers free of charge.

3.4 Special Protection for Young Workers

The signatories of this Code commit to protect young workers by (a) ensuring that they do not work at night and that they are protected against conditions of work which are prejudicial to their health; and (b) if applicable, remove young workers from hazardous work as soon as possible.

The working hours of the young workers should not contradict their attendance to school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training and instruction programmes

3.5 No Bonded and Child Labour

The signatories of this Code commit to not engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked, or non-voluntary labour, including state-imposed forced labour and child labour.

International principles should be adhered to in terms of responsible recruitment, including the employer pays principle, and require the same from their recruitment partners if applicable. There should be paid extra attention to vulnerable groups, including temporary workers and migrant workers.

There should be no employment, direct or indirect, of children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply. There should be a robust age-verification mechanism to ensure that there are no workers below this minimum age, which may not be in any way degrading or disrespectful to the worker.

Children should be protected from any form of exploitation. In the case of dismissal and removal of children from the production site, there should be taken extra care to ensure their protection.

3.6 No Discrimination

The signatories of this Code commit to treat all workers with respect and dignity and ensure that workers are not subject to any form of violence, harassment, and inhumane or degrading treatment in the workplace. Violence and abuse, including corporal punishment, verbal, physical, sexual, economic or psychological abuse, mental or physical coercion and other forms of harassment or intimidation should be avoided at all times.

Discrimination based on sex, gender, age, religion, race, caste, birth, social background, disability, ethnic, and national origin, nationality, membership of unions or other legitimate organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other condition that could give rise to discrimination is prohibited at all times.

Disciplinary procedures shall be established in writing and explained verbally to workers in terms and language they understand.

3.7 Decent Working Hours

The signatories of this Code commit to ensure that workers are not required to work more than 48 standard hours per week. Exceptions specified by the ILO are recognized and therefore the working hour maximum can be exceeded for exceptional cases defined by the ILO.

Interpret applicable national legislation, industry benchmark standards or collective agreements within the international framework set out by the ILO and promote working hour practices that enable a healthy work-life balance for the workers.

Overtime should be an exceptional and voluntary practice, paid at a premium rate of minimum 125% of the standard rate.

Workers should have the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

3.8 No Precarious Employment

The signatories of this Code commit to an employment relationship that does not cause insecurity and social or economic vulnerability for their workers. The work should be performed on the basis of a recognised and documented employment relationship, established in compliance with relevant national legislation and international labour standards, whichever provides greater protection.

Workers should – before entering into employment – be provided with understandable information in their own language which ensures that they are aware of their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment.

There should be no employment arrangements in a way that deliberately do not correspond to the genuine purpose of the law. This includes, but is not limited to, apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, seasonality or contingency work when used to undermine workers' protection, labour only contracting, and contract substitution.

Subcontracting shall not be used in a way that undermines the rights of workers.

3.8 Protection of the Environment

The signatories of this Code commit to implement a process- and risk based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system.

Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced.

Identify the environmental impacts of the business operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.

Data on environmental indicators shall be provided upon request, if available. These indicators include, but are not limited to, CO₂ emissions, water use, energy use and waste disposal.

3.9 Ethical Business Behaviour

The signatories of this Code commit to not take part in any act of corruption, extortion or embezzlement nor in any form of bribery – including but not limited to – the promising, offering, giving or accepting of any improper monetary or other incentive.

Adequate internal controls, programmes or measures should be established to prevent and detect corruption. Falsify information or misrepresentation in the supply chain is prohibited.

Workers should be aware about the policies, controls, programmes and measures against unethical behaviour, and promote compliance within the company through trainings and communication.

Collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.

There should be an effective grievance mechanism in place which can also be used by whistleblowers in an anonymous way to express irregularities and possible abuses.

3.10 Animal Welfare

The signatories of this Code commit to only use animal derived materials as a by-product of slaughter. The five underlying values of animal welfare as indicated by the five freedoms must be adhered to at all times. These state that animals must be free from hunger and thirst; free from discomfort; free from pain, injury, or disease; free to express normal and natural behaviour; and free from fear and distress.

3.11 Responsible Sourcing of Materials

The signatories of this Code commit to ensure that raw materials and its by products are not derived from practices that are in violation with the principles of this Code, from regions with serious human right violations or have a disproportionate negative impact on the environment or the health of workers. Products, services and materials that are subject of [EU Sanctions](#) are not allowed either.

When using certified sustainable materials in production or supply products made of certified sustainable materials, it should always be accompanied with the relevant verification documents including the Chain of Custody. Recognized more sustainable materials include, but are not limited to, FSC-wood, organic cotton (e.g., GOTS, OCS), recycled materials (e.g., RCS, GRS), biobased materials, circular products. Please contact sustainability@esschertdesign.nl when in doubt about materials and/or sustainability certification.

3.12 Product Safety

Economic operators are permitted to place on the market only products that can be demonstrably proven to be safe and are subject to stringent product safety regulations. Our business partners are fully committed to ensuring that only safe products are supplied to us. This entails, among other requirements, that:

- Toys comply with EN 71 - Safety of Toys
- Cushions and upholstered furniture (with fabric) comply with BS 5852 - Fire Safety for Upholstered Furniture
- BBQs comply with EN 1860-1 - Barbecue Appliances — Part 1: Specification for Portable Barbecue Appliances Using Solid Fuel
- Food contact materials comply with the Lebensmittel- und Futtermittelgesetzbuch (LFGB) - German Food and Feed Code
- Gloves comply with EN 21420 - Protective Gloves — General Requirements and, if classified as Personal Protective Equipment (PPE) Category II, also with EN 388 - Protective Gloves Against Mechanical Risks and EN 407 - Protective Gloves Against Thermal Risks
- Ethanol burners comply with EN 16647 - Appliances Burning Alcohol Based Fuel — Safety Requirements
- Candles comply with EN 17617 - Safety of Candles
- Chairs comply with EN 12520 - Furniture — Strength, Durability and Safety — Requirements for Domestic Seating and EN 581 - Outdoor Furniture — Seating and Tables for Camping, Domestic and Contract Use

3.13 Regulatory Compliance

The regulatory landscape has become significantly more complex in recent years. Because Esschert Design sells products in approximately 80 countries and across many product categories, numerous regulations apply to our assortment and business model. We do our utmost to comply with these regulations, with a focus on EU, UK, and USA legislation.

As a business partner, you are expected to align with us in meeting these requirements. Since we are often the importer and product owner, we are generally responsible for what we sell. Business partners provide full cooperation to ensure compliance with relevant regulations. This relates to, but is not limited to:

- EU Deforestation Regulation (EUDR) (Regulation (EU) 2023/1115)
- Classification, Labelling and Packaging Regulation (CLP) (Regulation (EC) No 1272/2008)
- Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) (Regulation (EC) No 1907/2006)
- Carbon Border Adjustment Mechanism (CBAM) (Regulation (EU) 2023/956)
- General Product Safety Regulation (GPSR) (Regulation (EU) 2023/988)
- Toys Safety Directive (TSD) (Directive 2009/48/EC)
- Food Contact Materials Regulation (FCM) (Regulation (EC) No 1935/2004)
- Textile Labelling Regulation (TLR) (Regulation (EU) No 1007/2011)
- Restriction of Hazardous Substances Directive (RoHS) (Directive 2011/65/EU)
- Waste Electrical and Electronic Equipment Directive (WEEE) (Directive 2012/19/EU)
- Packaging and Packaging Waste Directive (Directive 94/62/EC)
- Energy Labelling Regulation (Regulation (EU) 2017/1369)
- Ecodesign for Sustainable Products Regulation (ESPR) (Regulation (EU) 2023/1781)

If the goods supplied by a business partner are found to be non-compliant with applicable regulations and, as a result, cannot be placed on the market, the associated costs may be charged to the business partner. This is particularly applicable if the business partner initially represented the goods as compliant, but this later proves not to be the case. Should a business partner have any doubts at an early stage regarding the feasibility of compliance, they are required to promptly contact the merchandisers or purchasers without delay.

3.14 REACH Conformity Statement

We expect all our suppliers to comply with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). By signing this Code the Business Partner confirms that all products they supply to Esschert Design B.V. (including all entities as mentioned in paragraph 1) do not contain any substance listed in the latest ECHA SVHC list. The Business Partner is responsible for any consequences that arise due to non-compliance with these regulations.

3 Code of Conduct Compliance Commitment

We hereby confirm that we have read and understood the Esschert Design B.V. Code of Conduct. We confirm that we have full knowledge of all relevant laws in the countries where we operate in.

We agree to fully comply with all principles in this Code and cascade it to our partners in the supply chain including, but not limited to, workers and subcontractors.

Date

Company name:

Company number: *[to be completed by Esschert]*

Name CEO:

Signature CEO:

Company Stamp: