

# RBC POLICY

**W.A.R.D.-GMBH**

**RESPONSIBLE BUSINESS CONDUCT POLICY**



**riedaily**

## Introduction

W.A.R.D.-GmbH (Iriedaily) regards responsible conduct as being essential for sustainable business development. The Responsible Business Conduct Policy below defines our principles and standards that we are committed to upholding.

The promotion of fair and sustainable business practices within our supply chain serves as the basis for socially responsible, ecological, and economic corporate governance. We are aware that the individual countries in our supply chain have their own laws, cultures, standards and traditions that should be observed.

It is important to us that we treat these different factors with respect and ensure diversity and equal opportunities at each stage of our supply chain.

Our due diligence takes a risk-based approach to respect and protect all employees in our business and throughout the supply chain. And we expect that our suppliers are also committed to respecting human rights (in accordance with the United Nations Universal Declaration of Human Rights), fair working conditions and actively protecting the environment. We reject all forms of corruption and bribery, and promote the principles of good governance such as transparency, accountability, responsibility, openness and integrity in a befitting manner.

We use external auditors to review and develop our standards and draw on independent expertise from NGOs and other organisations as needed.

Our Code of Conduct is oriented towards the internationally recognised principles for the protection of human and labour rights as set out in the United Nations Universal Declaration of Human Rights, the International Labour Organisation (ILO) core labour standards, the United Nations Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

We do so in full awareness that this is a lengthy process for which constructive and pragmatic cooperation between state institutions, social players and companies is essential for its success.

## Due diligence

In order to fulfil our corporate duty of care, we conduct an annual risk analysis to assess our supply chain. We perform this complex analysis using a variety of internal and external sources. We use country studies, audit results, NGO reports, experiences from our on-site visits, etc., to obtain an assessment of potential risks at the country, sector, factory and purchasing levels. The aim is to identify risks, determine possible negative impacts on people, society and the environment, assess these and then take proactive steps to prevent them. Our focus is on where we have defined the most serious and irreversible hazards. By means of more stringent monitoring and corrective measures, we thereby seek to tackle the risks we have found. We also focus on gender differences. Equal working conditions regardless of gender or origin is an issue we will focus on more intensively in the future. It is important to recognise differences and to define our actions with a gender-specific perspective. The actions taken are monitored by ourselves and other stakeholders, and their effectiveness is evaluated.

If a supplier is responsible for negative impacts, we engage in dialogue to see to it that remedial action is taken.

To guarantee a holistic due diligence process, we have implemented a wide range of guidelines that are anchored in the decision-making process across all departments. These reflect our values and the requirements we place on our suppliers. In this way, how we conduct ourselves with our partners is regulated in detail.

Our “child labour”, “modern slavery” and “unauthorised subcontractor” guidelines contain clear “don’ts” and obligate our suppliers to additional transparency. These guidelines are supported by a “zero tolerance” policy that clearly defines which measures will result in the termination of a business relationship.

In this case, our internal “exit” strategy regulates a fair process of any corrective measures needing to be taken in constant exchange with the factory concerned.

## Responsible purchasing practices

W.A.R.D.-GmbH (Iriedaily) considers responsible purchasing practices as a key tool for conducting business in a responsible manner. As a sustainable company, we adapt our purchasing practices to be responsive to the needs of our suppliers and to find the best possible solutions for responsible coexistence. A major focus is on preventing overtime. This is already embedded in our sourcing strategy and discussed in more detail in our internal “overtime policy”. We contact potential suppliers after having performed an initial supplier evaluation and then discuss our purchasing strategy, our production planning and evaluate how our working relationship can be organised in such a way as to minimise the risk of overtime. We achieve this through longer lead times, earlier order submissions and extended delivery windows. If we find that excessive overtime occurs on a regular basis, we identify the causes and take corrective action. At the same time, we also ensure that our requirements in terms of human rights, animal welfare and environmental protection are met. This is certified by our producers in a Supplier Code of Conduct. We strive to maintain long-term supplier relationships that guarantee a special willingness and ability to create positive developments in the supply chain.

Our sourcing strategy is designed to forge long-term business relationships with our producers. In order to promote a trusting partnership with our suppliers, we categorically exclude frequent changes of producers. This is because we believe that only when we can rely on each other can we guarantee stable orders at fair prices, in line with responsible purchasing practices.

When selecting a new supplier, we follow an internal onboarding plan that defines and monitors the onboarding process. Only when a supplier meets all requirements and our specifications do they qualify as a trusted partner and are integrated into our supply chain.

An additional requirement that a supplier must fulfil is the payment of the local statutory minimum wage. While our suppliers have already indirectly committed to this in our Supplier Code of Conduct, we explicitly demand this again in our “minimum wage policy”. Nevertheless, the payment of living wages is the ultimate medium-term goal, which

W.A.R.D.-GmbH (Iriedaily) actively supports and also contributes to financially.  
An anti-corruption declaration also ensures responsible dealings in the selection of suppliers and purchasing practices.

### Responsibilities

W.A.R.D.-GmbH (Iriedaily) is committed to:

1. Monitoring the implementation of our Code of Ethics / labour standards in our supply chain using industry accepted practices, including audits and site visits to assess compliance with the Code of Ethics.
2. Providing appropriate support and training to our suppliers in the implementation of the code of conduct for ethical business.
3. Working with industry partners, government organisations, non-governmental organisations (NGOs) and trade unions to effectively implement the labour standards and apply common methods to assess compliance.

Our suppliers are responsible for:

1. Signing up to our labour standards and a supplier Code of Conduct.
2. Monitoring the implementation of our Code of Conduct in all W.A.R.D.-GmbH (Iriedaily) approved factories and registered subcontractors.
3. Provide unrestricted, immediate and unescorted access and transparency to W.A.R.D.-GmbH (Iriedaily) and/or our authorised representatives. In order to verify compliance with the Code of Labour Practices, W.A.R.D.-GmbH (Iriedaily) reserves the right to conduct unannounced audits within or outside the established audit cycle. In such cases, W.A.R.D.-GmbH (Iriedaily) and/or our authorised representatives must be granted immediate access to the site in question without prior notice.

### Reporting

As part of our annual Social Report, we provide information on the progress within our supplier base. We are committed to responding transparently to specific requests, unless they violate competition law or a supplier's confidentiality agreement. We will make reasonable efforts, through a complaints hotline, to provide a confidential means for workers and other stakeholders to report real or potential violations of the Code of Conduct.

### Labour standards

W.A.R.D.-GmbH (Iriedaily) endorses the ILO labour standards and adopts them as the basis for this Responsible Business Conduct Policy.

#### 1. Employment is freely chosen

*There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)*

#### 2. Freedom of association and the right to collective bargaining

*The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98).*

*The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers.*

*Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)*

#### 3. There is no discrimination in employment

*Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).*

#### 4. No exploitation of child labour

*There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. (...) Children (in the age of 15-18) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)*

### 5. Payment of living wage

*Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131)*  
*Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted.*  
*Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.*

### 6. Reasonable hours of work

*Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)*

### 7. Safe and healthy working conditions

*A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.*

### 8. Legally binding employment relationship

*Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.*

### **Responsible procurement**

The respect for human rights takes the highest priority.  
We consider the environmental impact that materials and products have when procuring goods and services for our business activities. We strive to use materials from sustainable and traceable sources in our products.  
We aim to optimise our orders in such a way that we only put into production the quantities that are actually sold. This prevents overproduction. We work to avoid destroying damaged or B-grade goods. To achieve this, we work together with recyclers and recycling companies, sell our sample collections and donate surplus goods.

### **Environmental protection**

Besides complying with environmental laws in all countries where we operate directly, we also seek to promote environmentally sustainable practices and continuously improve our environmental management. We advocate the proper handling of waste and wastewater as part of a circular economy, to the full extent that this is possible for our suppliers under local conditions. To a large extent, we aim to identify and offset our own environmental impacts and greenhouse gas emissions. We also actively support measures aimed at continuously reducing the intensity of resource use, waste generation and emissions of greenhouse gases and other pollutants.  
Our suppliers must comply with all applicable local laws and regulations that guarantee the protection and preservation of the environment. This includes certification and maintenance of all required environmental permits, approvals and registrations.

### **Animal welfare**

As a company, we have chosen to exclude the use of any animal-based ingredients. Our suppliers have also committed themselves that no animal ingredients listed by PETA will be used in the production of our goods.

### **Complaints procedure**

We guarantee the display of the contact details for an independent complaints hotline in all factories responsible for the production of W.A.R.D.-GmbH (riedaily) articles. At regular intervals, we check whether and how workers have access to this hotline.  
Workers can therefore report workplace-related grievances without fear of reprisals. As a company, we are committed to contacting the complainant immediately in the event of a complaint. By acting as a mediator and following an easy-to-understand and transparent process, we ensure that feedback is given to the parties involved in a timely manner. We also involve a third independent party to resolve the matter.