



## VENDOR CODE OF CONDUCT

This Vendor Code of Conduct (or “code”) outlines the expected ethical standards for factory working conditions of all vendors and those under their control or direction that manufacture products for sale to RH customers. RH values working with vendors that share its ethical concerns around working standards. To that end, RH designed this code to promote the following principles:

Fair and ethical treatment of workers;

Compliance with all applicable local laws, rules and regulations; and

Transparency to allow for accountability and reasonable substantiation of compliance.

### **FREE AND LAWFUL WORKFORCE**

Fair and transparent procedures. Disciplinary procedures used to address misconduct and other performance evaluations must be fair, transparent and consistently applied. Workers should be able to freely express grievances without retaliation by vendors, including as part of any compliance audit of this code. This code is to be conspicuously displayed and accessible by workers, translated in the local language, at each vendor facility where our products are being produced.

Respect and dignity. No workers shall be subject to physical, sexual, psychological or any other form of abuse, harassment or corporal punishment.

No unlawful discrimination. Workers cannot be discriminated against based on race, caste, creed, nationality, culture, religion, personal beliefs, age, disability, gender, marital status, sexual orientation and/or union membership and political affiliation.

Compliance with laws. Vendors must comply with all applicable and material local legal requirements concerning the conduct of their business and workers’ rights, including the provision of all legally mandated benefits to workers.

Anti-corruption. The expectation of compliance with applicable laws includes the United States Foreign Corrupt Practices Act and international anti-corruption conventions, as well as the applicable anti-corruption and anti-bribery laws of the countries in which Vendors operate. Vendors shall not engage in any form of corruption or bribery (including commercial bribery) in dealings with RH, its agents and employees, or any other suppliers or service providers of RH. Vendors are expected to report any solicitation of bribes and gifts (monetary or otherwise) or other forms of graft by any agent or employee of RH.

### **FAIR TREATMENT, NON-DISCRIMINATION AND COMPLIANCE WITH LAWS**

No child labor. According to the ILO standard #138, a child is a person less than 15 years of age, unless local minimum age law sets a higher age for work or completing compulsory education, in which case the higher age applies. Vendors agree to verify the age of their workers and maintain documented proof of their workers’ ages.

No involuntary labor. Involuntary labor is defined as work or service which is extracted from any person under threat or penalty for non-performance and for which the service is not offered voluntarily. Involuntary labor includes prison, bonded, indentured, trafficked or forced labor.

No usurious loans; no involuntary deposits or advances. Vendors may not require workers to make monetary deposits as a condition of their employment. Vendors may not retain workers’ original identity documents. Interest rates, deductions or withholdings should not exceed that which is allowed or allowable under local law and may not be used to bind workers to employment. Workers should receive the terms and conditions of any advances and loans in writing.

No forced overtime. Overtime is to be voluntary and all workers must receive at least one day of rest for every six (6) days worked. Work hours should not exceed the legal maximum under local law.

Accurate wages. Compensation must be paid regularly, on time, and must accurately reflect time worked. Workers must receive no less than the statutory minimum wage. Itemized statements should be provided to all workers, which includes pay period, wages earned, rate of pay, hours worked, deductions, and benefits, and vendors must make such statements reasonably available for audit.

Freedom of association. All workers may freely and lawfully associate, organize and bargain collectively in a peaceful manner without unlawful interference by vendors.

## **HEALTH, SAFETY AND WORKING CONDITIONS**

Safe working conditions. Work environments must be safe and in compliance with all applicable and material safety and health laws and regulations. Vendors are expected to actively incorporate safety standards and locally prescribed industry practices in the production environment to minimize work-related accidents and unnecessary health risks. Vendors are responsible for training all workers in such standards and practices.

Environmental laws. Vendors must adhere to all applicable environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances and hazardous materials disposal. The goal is to provide safe, clean and sanitary environments for workers.

Healthy work environments. Facilities should be reasonably sufficient in size and capacity to accommodate the number of people occupying such facility, allow for reasonable amount of work space, be well-maintained, be safe and sanitary, including meeting all applicable local sanitation and hygiene regulations. Vendors must provide clean drinking water to all workers free of charge. Facilities should maintain an adequate number of toilets, fire-extinguishers, and fire exits. Facilities must have adequate lighting and ventilation. All health and safety standards in this code is to be applied to any dormitory or residential facilities that are provided to workers by Vendors.

## **ANIMAL WELFARE**

Material Sourcing. Vendors are expected to conduct their sourcing in compliance with local and internationally recognized laws and best practices with respect to animal welfare.

## **COMPLIANCE WITH THIS CODE OF CONDUCT**

Vendors and their factories, material sub-suppliers, and sub-vendors are expected to adhere to this code.

Vendors must participate in RH's Factory Audit Program. RH and its agents are authorized to conduct inspections and audits of vendors' facilities for the purpose of ensuring compliance with this code. During these inspections, vendors agree to provide unrestricted access to all parts of the facility related to the production of any products for RH. All worker-related books and records must be maintained by the vendors in an accurate and organized manner and will be subject to review and audit. For example, vendors are to maintain accurate attendance, payroll and production records, which are subject to audit by third-party agents. RH and its agent may also interview vendors' workers.

If violations are found, vendors agree to institute a corrective action plan that eliminates the problem in a timely manner. RH may cancel orders and/or terminate business with a vendor immediately without penalty upon violation of this code. With respect to updates to this code that RH may make from time to time, RH may provide up to six (6) months for a vendor to comply with such updates. However, RH has sole discretion to require immediate compliance with the updated code when the update relates to legal or regulatory compliance and/or safety concerns.

Your dedication to full and complete compliance with this code in the conduct of your business with RH is appreciated. RH relies on the utmost cooperation and commitment of its vendors and buying agents with this code's effort to build a positive, safe, and healthy working environment.

Thank you in advance for your cooperation. RH looks forward to continually strengthening our relationship for years to come.