

# Supplier Code of Conduct Etac Group

## **This Code of Conduct applies for**

This Code of Conduct is applicable to all suppliers, their subcontractors and other business partners that provide products or services to (do business with) Etac AB, registered in Sweden, corporate organisation number 556324-9746, or any other company, wholly or partly owned, directly or indirectly, by Etac AB ("Etac Group")

## **Appendix**

Evaluation form Supplier Code of Conduct Etac Group, Version 3.0

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# 1 Introduction

## 1.1 Objectives

The purpose of this code of conduct is to ensure that suppliers to Etac Group operate in accordance with internationally recognized minimum standards on human rights, labour and the environment. Etac Group adheres to the principles of this code and expects the same of its suppliers. Observance of this code of conduct will be obligatory part on any agreement or contract between Etac Group and our suppliers.

The aim of the code is not to impede or terminate business, but to help suppliers improve social and environmental standards. Etac Group is therefore willing to work with suppliers to achieve compliance with the provisions of this code. We will not conduct business with a supplier engaged in violations of fundamental human rights (see zero-tolerance standards 3.8). Etac Group shall periodically review the adequacy and continuing effectiveness of this code of conduct.

## 1.2 Scope of Application

This code applies to all Etac Group's suppliers and their sub-suppliers regardless of their status or relationship with a supplier. The code therefore also applies to workers who are engaged informally, on short-term contracts, or on a part-time basis. It shall be the responsibility of suppliers to ensure that their sub-suppliers do not violate the standards of this code.

## 1.3 Normative Elements

### 1.3.1 General Principles

Any questions or disputes regarding the interpretation of the provisions of this code shall be resolved by Etac Group. The code is not and should not be interpreted as a means to circumvent or undermine national laws or national labour inspectorates. Similarly, this code is not and should not be interpreted as a substitute for free trade unions, nor should it be used as a substitute for collective bargaining. The code establishes minimum standards and Etac Group will not accept any attempt to use the requirements as a means to lower existing standards or to prevent or discourage collective bargaining. When implementing the code, suppliers shall take all necessary measures to ensure that they do not unintentionally leave workers and other beneficiaries in a worse position than before the code was introduced.

### 1.3.2 Legal Compliance

In addition to meeting the provisions of this code, suppliers shall comply with all national laws and regulations as well as other applicable standards (e.g. collective bargaining agreements or other codes of conduct). Where there are differences between the provisions of this code and national laws or other applicable standards, suppliers shall adhere to the higher or more stringent requirements. Conflicts between the provisions of this code and national laws or other applicable standards shall be evaluated by Etac Group in cooperation with the supplier and relevant stakeholders. If any conflicts are detected, the supplier must inform Etac Group immediately.

### 1.3.3 International Standards

This code of conduct is based on the general principles listed below.

- The United Nations Universal Declaration of Human Rights (1948)
- The Eight Fundamental Conventions of the International Labour Organisation, no. 29, 87, 98, 100, 105, 111, 138 and 182
- The labour protection and labour environment legislation in force in the country of production
- The United Nations Convention on the Rights of the Child, Article 32
- The labour law, including legislation on minimum wages, and the social welfare protection regulations in force in the country of production
- The United Nations Convention against Corruption
- The environmental protection legislation that is in force in the country of production

Goods and services that are supplied to Etac Group should be produced under conditions that are in accordance with the above listed general principles declarations and standards.

## 2 Standards

### 2.1 Forced Labour

#### 2.1.1 Forced Labour and Freedom of Movement

The supplier must not participate in, or benefit from, any form of forced labour, including bonded labour, forced prison labour, slavery, servitude, or human trafficking. Workers must have the freedom of movement during the course of their employment.

#### 2.1.2 Retention of Identity Cards and Travel Documents

The supplier may not retain the identity cards, travel documents, and other important personal papers of its employees. Etac Group allows supplier to store documents for security reasons.

### 2.2 Child Labour and Young Workers

#### 2.2.1 Minimum Age Requirements

The supplier shall not engage in, or benefit from, the use of child labour. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by national laws in accordance with the ILO developing-country exception).

#### 2.2.2 Educational Remediation Programme

If the supplier becomes aware that it is employing children of school age, it shall ensure that the children are enrolled in a remediation programme, rather than being summarily terminated from employment. The programme shall include access to education and financial support and shall be decided in consultation with the child and family or next of kin.

#### 2.2.3 Light work and Apprenticeship Programmes

Where permitted by national laws, the supplier may employ children between 12 and 15 to perform a few hours of light work per day. The work must be simple tasks of a limited nature and not interfere with the children's educational responsibilities. Apprenticeship programmes for children below the minimum age of employment must be remunerated and clearly aimed at training.

#### 2.2.4 Hazardous and Harmful Work

The supplier may not hire young workers (below 18 years of age) to perform any type of work, which is likely to jeopardise their health, safety or morals.

### 2.3 Workplace Health and Safety

#### 2.3.1 Health and Safety Standards

The supplier shall ensure that its workers are offered a safe and healthy working environment, including, but not limited to, protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

#### 2.3.2 Training and Protective Gear

The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely.

#### 2.3.3 Sanitary Infrastructure

The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which conforms to the needs of its employees and is adequate to its numbers. Accommodation, if provided by the supplier, shall conform to the same requirements, including the general provisions on health and safety listed above.

## **2.4 Conditions of Employment and Work**

### **2.4.1 Workplace Violence, including Discrimination, Assault, Harassment and Threats**

No worker should be discriminated against because of race, gender, religion or ethnic background.

The supplier shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical disciplinary actions or engage in sexual harassment. The supplier shall protect workers from acts of physical, verbal, sexual, or psychological harassment, abuse, or threats in the workplace, whether committed by managers or fellow workers, including when determining and implementing disciplinary measures.

### **2.4.2 Remuneration**

The supplier shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In any event, the supplier shall always provide a 'living wage', which enables workers to meet the basic needs of themselves and their dependents and to provide some discretionary income. Overtime shall be remunerated minimum as a standard rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

### **2.4.3 Established Working Relationship**

All workers shall be provided with a written, understandable, and legally binding labour contract. The supplier shall not rely on part-time, short-term or casual labourers, trainees, or false apprenticeships to pay lower wages and fewer benefits.

### **2.4.4 Leave**

The supplier shall grant employees paid holiday and sick leave each year, as well as parental leave to employees who must care for a new-born or newly adopted child. Women who take maternity leave will not face dismissal or threat of dismissal and shall be able to return to their former employment at the same rate and benefits.

### **2.4.5 Hours of Work, Rest Periods and Breaks**

The supplier shall ensure that the work week is limited to 48 hours. Overtime shall be voluntary, infrequent, and not exceed 12 hours per week. Employees are entitled to at least one day off per week and shall be given reasonable breaks while working and sufficient rest periods between shifts.

### **2.4.6 Employee Privacy**

The supplier shall respect the privacy rights of its employees whenever it gathers or keeps private information or implements employee-monitoring practices.

## **2.5 Accidents and Health**

### **2.5.1 Industrial Accidents and Health Emergencies**

The supplier shall establish and maintain emergency procedures to effectively prevent and address all health emergencies and industrial accidents affecting the surrounding community or having an adverse impact on the environment.

## **2.6 Environmental Protection**

### **2.6.1 Managing Environmental Aspects**

The supplier must strive to minimize the adverse environmental impacts of its activities, products and services through a proactive approach and responsible management of its environmental aspects (including, but not limited to):

- Use of scarce natural resources, energy and water Emissions to air and releases to water
- Noise, odour and dust emission
- Potential and actual soil contamination
- Handling of hazardous substances
- Handling of hazardous and non-hazardous wastes
- Product issues (design, packaging, transport, use and recycling/disposal)

## 2.6.2 Complying with Environmental Legislation

The supplier shall maintain awareness of current environmental legislative requirements, relevant to the environmental impacts of its activities, products and services and ensure legal compliance through training, awareness, operational control and monitoring.

## 2.6.3 Continuously Improving Environmental Performance

The supplier shall demonstrate continuous improvements of the overall environmental performance related to significant environmental aspects.

## 2.7 Anti-corruption

The supplier shall not directly or indirectly offer undue payment or other forms of compensation/benefit to any person or organisation with the aim of obtaining, maintaining or directing business operations/decisions or receive other undue advantages within the framework of its operations. The supplier shall not directly or indirectly request or accept any form of undue payment or other forms of compensation/benefit from a third party which can affect the objectivity of business decisions.

# 3 Implementation

## 3.1 Records and Documentation

The supplier shall maintain appropriate records to demonstrate compliance with the requirements of this code. Records shall be available to Etac Group upon request at any time. Appropriate records include, but are not limited to:

- Names and ages of all workers.
- Timesheets.
- Payroll records, including wage slips and overtime wage records.
- Health and safety records, including material safety data sheets, accident records and relevant certificates and permits.
- Environmental records, including data from the monitoring of significant environmental impacts and relevant permits
- Records of any significant instances of non-compliance encountered in relation to this code, including a summary of the corrective actions taken to remedy the deficiencies.

## 3.2 Definition of Roles and Responsibilities

The supplier must assign responsibilities within its organization for the implementation of this code. As a minimum, the following representatives shall be designated:

- One or more management representatives with the responsibility and authority to ensure compliance with the provisions of this code.
- A qualified health and safety officer at each facility responsible for planning, implementing and monitoring the supplier's health and safety policies and procedures.
- A freely elected workers' representative responsible for facilitating dialogue and communication between the supplier and its employees on all matters pertaining to this code. This function may be carried out by a freely elected trade union representative.

The supplier shall ensure that repeated offences and serious neglect by any of its personnel in relation to matters pertaining to this code will result in appropriate disciplinary actions, which may include dismissal from employment.

## 3.3 Training and Awareness-Raising

The standards included in this code shall be communicated to all new employees, including managers and supervisors, immediately upon hiring.

### 3.4 Internal Complaints Procedures

The supplier shall establish mechanisms for hearing, processing, and settling complaints of employees. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the supplier's failure to comply with this code, without fear of punishment or adverse employment action. The supplier shall properly investigate, address and settle all complaints in accordance with its pre-established complaints procedure.

Anyone affected by the supplier's activities must have access to communicate concerns or submit complaints without discrimination or fear of reprisals. The supplier shall properly investigate, address and settle any complaints or concerns raised by local communities.

### 3.5 Monitoring

The Etac Group will monitor the operations of our suppliers to assess and ensure their compliance with this code. Our monitoring programme consists of on-site inspections (or audits) and periodic self-evaluations by suppliers of their premises and those of their subcontractors. The supplier shall submit at any time to announced as well as unannounced audits. The supplier is required to provide physical access to any auditor from Etac Group or other auditor assigned by Etac Group. This obligation entails unhindered access to all facilities, records, and where provided by suppliers, housing, as well as employees for confidential interviews. The frequency and intensity of supplier audits will depend on - and shall be appropriate to - the scale and intensity of their operations.

### 3.6 Verification

The ETAC Group reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this code.

### 3.7 Enforcement, Remediation and Corrective Action

Where instances of non-compliance with the requirements of this code are identified, the supplier shall promptly take corrective action to remedy the deficiencies as well as taking measures to prevent similar problems from recurring in the future. The supplier shall make timely and reasonable amends to any employee, former employee, or community member whose rights have been violated. Remediation includes, but is not limited to, paying back all wages found to have been unlawfully withheld or reinstating any employee found to have been unlawfully dismissed. Where instances of non-compliance are detected as a result of audits, the supplier shall be given a fixed period of time to self-correct the deficiency. In the event of failure to self-correct a problem, Etac Group is willing to engage in a constructive dialogue with the supplier to develop and implement a corrective action plan, with appropriate time scales for implementation and improvements to be achieved. Agreement to abide by the corrective action plan allows continuation of the business relationship, as long as Etac Group finds that the supplier is implementing the plan in good faith. In the event of

repeated and serious breaches of the requirements of the code, Etac Group reserves the right to terminate the business relationship with a supplier and possibly cancel any production or delivery in progress.

## 4 Zero-tolerance Standards

The Etac Group will not conduct business with a supplier engaged in violations of fundamental human rights. The following practices are therefore considered unacceptable:

- The use of bonded and forced labour, including forced prison labour and human trafficking.
- Worst forms of child labour, including forced child labour, child prostitution, and other work which is likely to jeopardize the health, safety and morals of children.
- Any harsh, inhumane or degrading treatment or punishment of employees.
- The exposure of employees to life-threatening work environments, where they have not been informed of the dangers and where protective measures have not been undertaken.
- Deliberately causing substantial pollution to air or water, or substantial soil contamination.
- Corruption of any kind.

Any complicity in violations of international humanitarian law and other crimes against the human person as defined by international law, including war crimes, crimes against humanity, genocide, torture, forced disappearances, hostage taking and extrajudicial, summary or arbitrary executions. If Etac Group has reason to believe that such violations are being committed by a supplier, the business relationship will be terminated immediately. If we have reason to believe that the supplier was aware of the violation and willingly operated in violation of fundamental human rights, the supplier may be reported to the proper authorities.

