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The Electrolux Workplace Standard

This Standard describes minimum requirements for environmental and working condition for Electrolux and suppliers of purchased material (direct and indirect), components, finished goods and services.

Introduction

Electrolux is committed to being a responsible employer and a good corporate citizen, by manufacturing and promoting products that contribute to improving people's lives. All our activities – including the manufacture, distribution and sales of our products – must be conducted with respect and consideration for human rights, health and safety as well as for the environment. We strive for continuous improvement with sustainability as a core concern in all our operations.

About this standard

Electrolux has adopted the Workplace Code of Conduct (hereinafter referred to as the Code) to establish specific requirements. The Code is mandatory for all Electrolux operations (production units, offices, warehouses and other locations) as well as those of our suppliers. The Electrolux Workplace Standard (hereinafter referred to as the Standard) further clarifies and specifies the requirements of the Code. The Electrolux Code reflects our ambition to be good corporate citizen, while both the Code and Standard encompasses requirements of Group customers.

Electrolux units must comply with the Electrolux Code and Standard, and may not sign or communicate compliance with codes of other organizations. The supplier, however, may subscribe to another code as long as it remains in full compliance with all requirements in the Electrolux Code and Standard.

If an Electrolux unit is approached by a customer with requirements that exceed the Standard, the Unit shall contact Electrolux Sustainability Affairs. Electrolux Sustainability Affairs will compare the customer's code with the Electrolux Code and contact the customer to resolve the issue.

The Standard is divided into sections based on each provision within the Code. Each section describes the detailed Code provision, explanatory definitions when necessary and requirements related to meeting the provision. It also includes a "Good management practice" paragraph that suggests an appropriate plan of action. Good practice is not mandatory, although all units are strongly encouraged to incorporate these recommendations into their operations.

Note that implementing the procedures in this document does not relieve the Electrolux unit or the supplier to analyze Code-related risks that it might face. This may require the adoption and implementation of additional policies and procedures.



The Standard is regularly reviewed and updated to reflect our experience and information regarding compliance. Please submit comments on how to improve this document or questions with regards to the Standard or Code to Electrolux Sustainability Affairs (sustainability@electrolux.se). Visit www.electrolux.com/sustainability for more information on Electrolux priorities and approach to sustainability, and to download all relevant documents mentioned in this Standard.

Definitions

Detailed requirements stated in the Standard are applicable both to the Electrolux Group's own facilities as well as suppliers' operations – hereinafter called *Units*. The terms "workers" and "employees" include permanently employed workers as well as on-site temporary, piece-rate and contracted workers, trainees and workers on trial or probation.

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The following sections (1-13) contain detailed requirements of the Standard, which are mandatory for all units.

1. General requirements

Code provision

It is the responsibility of all employees and management to ensure compliance with this Code of Conduct. In incidents of non-compliance, employees are encouraged and expected to report this to relevant internal officers and are assured that there will be no retaliation or other negative consequences.

Definitions

Relevant internal officers are employees designated to receive complaints or allegations of breaches of the Code.

Requirements

- The Unit shall assign a management representative(s) responsibility for ensuring compliance with the Standard.
- The Unit shall permanently post the Code in a location where all employees have access.
- In addition to posting the Code, the Unit shall regularly communicate the Code to all employees, including temporary workforce and co-workers employed through staff agencies, see note 1.1.
- The Unit shall display and communicate the Code in languages understood by all workers. In cases where some workers may be illiterate, the Code must be communicated in an alternative way.
- The Unit shall have a formalized procedure in place for employees wishing to report in strictest confidence allegations of non-compliance with the Code to relevant internal officers. The procedure shall be communicated to all employees.
- The procedure must allow for the opportunity to raise anonymous complaints. The Unit shall ensure that there will be no retaliation or negative consequences for employees reporting allegations of non-compliance with the Code – either directly or through the confidential formalized procedure.

Good management practice

- Code of Conduct management is a recurring agenda item in unit management meetings.
- The Unit maintains standard operating procedures which include regular reminders about Code content.
- The Unit has established a formal upstream communication system, such as a workers grievance committee or a whistle blower system, where employees can raise issues of concern regarding any section of the Code and Standard.

Note 1.1: Examples of methods of communication:

- a) Post the Code on notice board in workshop and/or office.
- b) Discuss the Code in staff meetings.
- c) Include the Code in introduction packages.
- d) Include the Code in introduction programs.
- f) Include the Code in employee training programs

2. Laws and regulations

Code provision

All Electrolux Group units, suppliers and subcontractors shall operate in full compliance with relevant laws and regulations applicable to their operations and employment in the countries in which they operate. This is the minimum requirement in all sections of this Code of Conduct.

Requirements

- The Unit shall comply with all applicable laws, regulations and collective agreements with unions in the country in which they operate. This requirement is applicable to all sections of the Electrolux Code and Standard.
- If any provision of the Electrolux Code is in violation of national laws the law shall supersede the Code. The Unit shall notify Electrolux Sustainability Affairs (sustainability@electrolux.se) about such a conflict without delay.
- In cases where Code requirements exceed local law, the Unit shall comply with the Code.
- The Unit shall have formulations of updated and applicable laws and regulations readily on-hand.
- The Unit shall have a procedure in place to ensure the Unit is continuously updated on applicable laws and regulations. New or revised laws shall be communicated to relevant employees when needed.
- Corrective action required by local authorities or agreed with Electrolux shall be documented and completed within the set time frame.
- The Unit shall provide each employee with a written valid contract or policy declaration, including a reference to applicable collective bargaining agreements and/or laws, clearly articulating the conditions of employment (salary, working hours etc) in terms and in a language understood by the employees.

Good management practice

- If nothing else is stipulated by a local labour law a proper employment contract should at least include the following information:
 - Name and address of employee.
 - Employee date of birth.
 - Working hours.
 - Salary level, bonus and other benefits.
 - Salary payment method and time.
 - Probation period if applicable.
 - Termination terms.
 - Reference to an employment handbook where more details are available.

3. Suppliers and subcontractors

Code provision

Suppliers shall agree to comply with this Code of Conduct. If suppliers use subcontractors for the production of Electrolux group products, it is the responsibility of the supplier to require that the subcontractor complies with the provisions in this Code of Conduct. On request, the supplier shall be able to inform Electrolux which subcontractors they use.

Definitions

Suppliers as mentioned in the Code provision, include various types.

All types defined below are required to follow the Code and Standard.

- *Supplier*: First tier supplier to the Unit, providing the Unit with raw materials, goods or services used for the production of the Unit's goods or services. This category also includes Electrolux suppliers of finished goods (OEM/ODM).
- *Sub-supplier*: Second tier supplier of the Unit, providing the Unit's first tier suppliers with goods or services.
- *Subcontractor*: A supplier used by the Unit for a specific production process or partial production of finished goods. The subcontractor could be both on and off-site (most common).
- *On-site service provider*: Supplier providing services on the Unit site such as canteen services, maintenance work, construction, refurbishment or gardening (i.e. outside core production process). Please note differentiation from *subcontractor*.
- *Staff agency/contractor*: An employment agency or other company providing staff involved in on-site core production. Please note differentiation from *on-site service provider*.
- *Staff hunter/recruitment agency*: A supplier providing Unit with recruitment services.

Requirements

- The Unit shall communicate Code requirements (either the Electrolux Code unaltered or a similar code if applicable) to all types of suppliers involved in production of Electrolux products. The Unit is not required to communicate the Code requirements to indirect business partners e.g. suppliers providing electricity, fuel, office material or machineries and tools.
- The Unit shall take appropriate measures to obtain written acknowledgement (e.g. a signed purchasing contract) where suppliers accept the requirements of the Code.
- The requirements of the Code and Standard encompasses all categories of workers (according to the definition above) working on the Unit's premises.
- Upon request, the Unit shall provide Electrolux with their list of suppliers and subcontractors.
- The Unit shall prevent all at-home manufacturing by employees or subcontractors.

- If a supplier's or subcontractor's manufacturing Unit is changed or moved, Electrolux shall be immediately informed about the change by the supplier.

Good management practice

- The Unit has procedures in place for monitoring its suppliers' compliance with the Code and Standard.
- Supplier monitoring activities are documented and available to Electrolux upon request.
- The Code and its implementation is an integral part of the agenda when meeting with suppliers or when providing supplier training.
- The Unit has procedures in place to assign all visitors a responsible host and inform them about adequate safety information and other workplace rules depending on the purpose and nature of the visit. Such information could include where to find emergency exits, assembly point in case of evacuation, special clothing or necessary PPE to use for visiting specific areas of the Unit etc.

***Note 3.1:** Electrolux units are not required to undertake any monitoring activities of direct material and component suppliers. In these cases, compliance monitoring is covered by the Electrolux Responsible Sourcing Program and coordinated by Electrolux Purchasing. However, Electrolux units are required to control all suppliers of indirect material and services with regards to the Code and Standard.*

4. Child labor

Code provision

Child labor is not tolerated in any form. Unless local law stipulates a higher age limit, no person younger than the age for completing compulsory education or younger than 15 (or 14 where permitted by ILO convention No. 138) shall be employed.

For authorized minors, management is responsible for providing working conditions, hours of work and wage appropriate for his or her age and in compliance with applicable local law as a minimum.

If a child worker is found working at a site where Electrolux products and or components are produced, Electrolux encourages intervention measures which do not worsen the child's social situation.

Definitions

Authorized minors are legal young workers above the minimum age, yet under the age of 18. This group of workers is also often referred to as *juvenile* or *young workers*. Special protection measures must be in place to protect these workers (see below under "requirements").

Intervention measures which do not worsen a child's social situation: If under-aged workers are found working at the Unit, all action taken should ensure that the solution for the worker is tailored to his/her individual situation and that it is both viable and long-term.

Requirements

- The Unit shall take all reasonable measures to ensure that no child labor occurs.

Verification and documentation of age

- At time of hiring, the Unit shall require formal identification and age documentation for all workers.
- The Unit shall keep a copy of age documentation for all employees
Note: the Unit cannot keep the original but has to make a copy.
- If the Unit cannot determine that the applicant has reached minimum age, the applicant shall be denied employment.

Authorized minors

- The Unit shall comply with all legal restrictions placed on *authorized minors*. In many countries these restrictions include: maximum number of overtime hours, hazardous work, night work, or mandatory medical check-ups.
- The Unit shall take all necessary precautions to ensure that workers under the age of 18 are protected from working conditions likely to endanger their health, safety or welfare.
- The Unit must comply with all regulations and requirements of apprentice or vocational education programs, and the Unit must be able to verify that these are legally-recognized programs. Informal arrangements which result in school-aged children working at the Unit prior to reaching the age for completing compulsory education are not acceptable.

Intervention measures in cases of child labor

- If a child worker is found, the Unit must contact Electrolux (sustainability@electrolux.se) without delay to agree on an action plan. The plan must be developed with the aim of finding a long-term and viable solution for the child. The action plan must be accepted by Electrolux.

Good management practice

- Appropriate age documentation should at least include the full name, birthday and a photo of the holder e.g. passport, ID-card or social insurance card.
- The Unit shall contact the legal guardians (normally parents) before employing authorized minors.
- The Unit maintains a list of authorized minors who are restricted to certain hours and operations due to their age.
- When employed at night, the Unit ensures safe transportation for young workers and provides opportunities for adequate rest.

Note 4.1: *Examples of dangerous work:*

- a) *Work involving exposure to hazardous substances, work performed at heights, work performed in cold water, work performed in high temperature environments,, work performed at low temperatures, confined spaces, underground.*
- b) *Extremely dangerous work, such as work with flammable substances and explosives.*
- c) *Continuous heavy lifting.*
- d) *Work that requires the use of drills, surfacing machines, pneumatic picks and shovels, riveting machines or power hammers.*
- f) *Work that requires strenuous or repetitive movements such as constant head movements, bending at the waist or squatting.*

5. Forced labor

Code provision

Forced or involuntary labor is not tolerated in any form. This includes prison, indentured and bonded labor, and other forms of working against one's own will or choice.

Definitions

Prison labor: An intern forced to work as a requirement of his/her penal sentence and without compensation.

Indentured labor: A person forced to work because of an agreement made by people in authority of the worker and without the worker's consent.

Bonded labor: A bonded laborer works, often for no or little compensation, to pay off a debt or advance payment owed to the employer.

Requirements

- The Unit is not allowed to use forced, prison, bonded, indentured or any other form of involuntary labor.
- Unit' workers freely leave factory premises at the end of their shift.
- The Unit must not impose restrictions on employees leaving the housing facilities in their free time.
- The Unit must not have workplace rules that unreasonably restrict the freedom of movement for employees.
- Gates must not be locked if the purpose is to stop workers from leaving the workplace.
- The purpose of security guards shall be to ensure the safety of employees and protect the premises; not to stop employees from leaving the workplace.
- The Unit shall not retain employees' original identification papers such as passports, birth certificates, work permits, residence permits, travel documents, or any other documents that might limit the worker's legal status/compliance, his/her freedom to travel or the ability to leave his/her job temporarily or permanently.
- The Unit shall not charge any fees (e.g. recruitment fee or training fee) or require any kind of deposits from the employees (e.g. for work clothes or

tools) with the purpose of preventing employees from leaving their employment.

- The Unit may not charge payment, fines or make any other illegitimate salary deductions to workers who resign their employment, if nothing else is agreed with employee or stipulated by law. Repayment agreements (on expenses like training, relocation etc) must be foreseeable, reasonable and limited in time.
- Loans to employees shall not exceed the equivalent of three months salary if nothing else is stipulated by law.

6. Health and safety

Code provision

All employees shall be provided with a safe and healthy working environment and, when applicable, safe and healthy residential facilities, with applicable local law as a minimum. The employer should take appropriate action to prevent workplace accidents or illnesses.

6.1 Worker health and safety

Requirements

General requirements

- Legal compliance with health and safety legislation includes inspection requirements by health, safety and labour authorities (e.g. machine safety report, special machine operation permits, hygiene certificate and canteen worker health certificates).

Incidents and accidents

- Incidents¹ and accidents² shall be recorded. Appropriate corrective actions shall be identified and taken without delay in order to prevent future accidents and incidents.
- Where required by law, incident/accident reports shall be sent to the authorities. Correspondence with authorities shall be available to Electrolux upon request.
- Electrolux units shall report incident and accident statistics to Electrolux Sustainability Affairs once per year according to the instructions in the Sustainability Reporting System.
- Electrolux suppliers shall make this information available to Electrolux upon request.

Occupational health and safety committee

- The Unit shall have an occupational health and safety committee in place, with responsibility for preventing accidents and incidents and improving health and safety conditions in the workplace.

¹ (OHSAS 18001 example of definition): An incident is a work-related event in which an injury, ill health or fatality occurred, or could potentially have occurred.

² (OHSAS 18001 example of definition): An accident is an incident which has given rise to injury, ill health or fatality.

- The Committee shall consist of both management and workers and it shall meet at least on a quarterly basis. It shall include representatives from all relevant management functions within the Unit.
- The Committee shall identify in a written plan and follow-up how the Unit is managing health and safety issues. The plan shall include roles and responsibilities of personnel and actions needed to improve health and safety in the workplace, with special attention paid to authorized minors and pregnant workers.
- The Committee can be replaced by a similar process or routine that secures a dialogue between workers and management on improving health and safety standards in the workplace.
- The plan and results of Committee meetings shall be made available to all employees.

Health and safety training

- All people working in Unit premises shall be provided with basic education and training with regards to safety risks in their operating area including, but not limited to:
 - Emergency evacuation procedures.
 - Location and activation of emergency alarm.
 - General information about first aid actions (location of first aid kit, first aid trained persons, nurse stations etc.)
 - Use of Personal Protective Equipment (PPE)³.
- All employees shall be given necessary and adequate safety training before operating machines, equipment that might be hazardous or before carrying out potentially hazardous operations.
- The Unit shall maintain a record of training contents including dates and names of participants.

Safety devices

- The Unit shall ensure that all machinery and other equipment used in production have the necessary and required safety devices in order to prevent employee injuries (e.g. emergency stop buttons, two-hand grip, gates, safety fences etc.)

Safety instructions

- Wherever there is potential risk for health or risk of injury, safety instructions and warning signs shall be clearly posted at designated work areas. They shall be clearly visible in close proximity to machines and other equipment and at entrances to such work areas.
- The signs can either be described as figurative signs or described as written instructions or procedures understood by all workers. They shall also indicate the PPE to be used (e.g. symbol for helmet, ear muffs, gloves, mask, goggles, boots, etc.)

³ *Personal Protective Equipment (PPE)*: all safety equipment designed and issued to help employees to protect themselves from hazards of their work environments. PPE includes fire retardant or chemical-proof clothing, gloves, hard hats, respirators, safety spectacles, noise protection etc.

Safety hazards

- The Unit shall ensure that other occupational hazards of an immediate character are avoided, e.g.:
 - Damaged staircases.
 - Dangerous electrical wires close to workers.
 - Unsafe electrical installations lacking proper insulation.
 - Holes in the floor.
 - Unsafe storage of gas-tubes or flammable products.
 - Unsafe storage of goods.

Safety inspections

- The Unit shall conduct regular safety inspections in the workplace including safety inspections of machinery and other equipment. The safety inspections shall be recorded and documented. Immediate action must be taken when non-compliances are identified during inspection.

Personal Protective Equipment (PPE)

- The Unit shall provide appropriate PPE free of charge⁴ to all workers engaged in harmful or potentially risky work areas. PPE shall be readily available and properly maintained.⁵
- The Unit shall take all reasonable measures to ensure workers use the applicable PPE when engaged in harmful or potentially risky work areas.
- Personal Protective Equipment is required to be worn by all persons in PPE regulated areas. This requirement should be respected by all people in the area irrespective of whether they are employees, management, contractors or visitors.

First aid equipment

- Appropriate first aid equipment shall be adequately stocked and made available to all employees. The content of the equipment shall be proportional to the number of workers, kinds of activities performed in the facility as well as the potential risk of injury. As a minimum, each floor and each building shall have one first aid box placed in a designated area.
- First aid equipment shall be regularly checked by designated workers. It should be an easy and quick access to all first aid boxes at all times.

⁴ Free of charge means at least the first set of PPE to be free and also every time when it is worn out or upgraded.

⁵ Examples of necessary PPE are:

- Impact-resistant goggles or other eyewear in areas where there is persistent glare, flying debris or dust, splashing of primers or cleaners.
- Gloves for those handling/applying chemicals such as solvents, adhesives, and finishes. Gloves must be resistant to these chemicals.
- Metal gloves for those working with sharp objects or cutting instruments
- Proper respirators to be worn in areas where vapors are present and not sufficiently reduced by other means such as ventilation.
- Appropriate footwear for those working on wet surfaces. Reinforced shoes or boots for workers operating or moving heavy equipment.
- Dust masks to minimize exposure to particulate matter such as dust or textile particles.
- Ear plugs for workers working in high noise level environments

First aid training

- The Unit shall have an adequate number of workers trained in first aid, with a minimum of one trained person present per factory department during each production shift. First aid training shall be provided by certified trainers, doctors or nurses and records shall be kept.

Working environment conditions

- The Unit shall comply with all relevant and applicable legislation and regulations pertaining to:
 - a) Indoor air quality (fumes, solvents, particles and ventilation).
 - b) Temperature in the workplace.
 - c) Noise levels in the workplace.
 - d) Lighting in the workplace.

Drinking water

- The Unit shall ensure that clean drinking water is provided to all workers working at the factory premises. Water shall be free of charge and available at a reasonable distance from the work areas. Water dispensers shall be appropriately maintained.

Hygiene

- The Unit shall ensure an adequate number of washing and toilet facilities for both men and women, and ensure that they are appropriately cleaned and maintained. The Unit shall not put any unreasonable restrictions on, or monitoring of, employees toilet use.

Canteens- food service

- Canteens and areas where food services are provided or consumed shall meet all sanitation and hygiene regulations and shall be appropriately cleaned and maintained.

Housing facilities

- All applicable requirements in sections 6.1 and 6.2 are mandatory to comply with in housing facilities and dormitories when such are provided by the Unit.
- Dormitories shall be situated in a building separated from the Unit production.
- Dormitory entrance and doors shall not be locked at any time, if the purpose is to stop employees from leaving the dormitory.
- Employees living in unit dormitories shall be provided with an individual space, including a bed and mattress. Sleeping rooms shall be separated for men and women.
- Employees living in unit dormitories shall have unrestricted access to hygiene facilities, separated for men and women.

Good management practice

- There is supervision, at suitable intervals, of the health of workers exposed, or liable to be exposed, to occupational hazards due to air pollution, noise or vibration in the working environment. Such supervision could include periodic medical examination.
- First aid training is given to all workers in the factory.
- First aid, health and safety training is repeated periodically.
- If there is uncertainty regarding levels of internal air quality, temperature, noise and lighting in workplace, tests are conducted.
- If there is a legal inspections requirement by authorities and the inspection has not taken place, the Unit requests the authority to perform it.
- All Units are encouraged to obtain OHSAS 18001 certification

6.2 Fire prevention

Requirements

General requirements

- Each Unit shall identify and comply with all applicable legal requirements related to fire safety protection, including inspections by fire authorities.
- The Unit shall keep records of fire accidents and serious incidents that could have caused a fire, including corrective and preventive actions taken.

Competence and training

- All co-workers must be oriented (e.g. through pamphlets or demonstration) in the use of fire fighting equipment and basic safety rules such as not blocking fire fighting equipment and where the emergency exits are located. Basic rules must be communicated to workers prior to start working in the Unit.
- The Unit shall ensure that an adequate number of workers are provided with hands-on training in the use of fire fighting equipment, with a minimum of one trained person present per factory department during each production shift.
- The Unit shall keep record of training content, including dates and names of participants.

Fire fighting equipment

- The Unit shall have appropriate fire fighting equipment and devices. The number of equipment and devices and their placement shall be in accordance with applicable laws and regulations and/or specific requirements by the fire authorities. If nothing else is stipulated there shall be a maximum distance of 25 meters between individual fire fighting devices.
- Fire extinguishers and other fire fighting equipment shall be properly marked, accessible and easily visible also from a distance. They shall be kept unlocked.

- All fire fighting equipment and devices shall be maintained and inspected as part of the health and safety plan, at least once every 12 months, and the maintenance shall be documented. However, *fire extinguishers* must be inspected at least every quarter. If *fire hydrants* are present, they must be flushed every six months and their hoses, standpipes and all water sources shall be inspected during fire drills.

Emergency exits and escape routes

- The Unit shall ensure the presence of an adequate number, size and placement of emergency exits in order to ensure safe and prompt evacuation. Each working area must have at least two independent emergency exits, and at least three in areas with more than 1,000 workers. In each working areas a safe and quick evacuation must be ensured at all times.
- All emergency exits must be marked with luminescent or illuminated signs. Emergency exit and escape route signs shall be visible from all vantage points, even in case of power failure. The Unit shall make sure that emergency exits, escape routes and fire fighting equipment are free from obstruction at all times.
- Emergency exits shall be opening outwards and must always be unlocked. Sliding doors, used as emergency exits, must always be open or equipped with a built-in exit door.

Evacuation alarm and lighting

- The Unit shall ensure the presence of a functioning evacuation alarm with continuous sound (and lighting in work areas with high noise levels⁶) in order to facilitate prompt and safe evacuation in case of smoke and/or fire. The alarm shall be able to be activated manually or automatically. After activation the alarm shall automatically evoke a loud signal.
- Emergency lighting shall be installed in areas where it is needed, such as workshops and staircases. Alarms and lighting must be functional during power outages.
- The functionality of evacuation alarms and emergency lighting must be checked as part of the safety plan and at least every 6 months.

Evacuation plan

- All areas of the Unit shall be covered by an evacuation plan, including a map to find current location, the nearest exit, appropriate meeting points outside, location of fire alarms/extinguishers and means to contact the fire brigade.

Evacuation drills

- The Unit must conduct regular evacuation drills, at least once every 12 months. The drills must cover all areas and shifts. The results of the evacuation drill shall be documented by the Unit and shown upon request.

⁶ Areas with high noise levels are all areas where ear plugs are mandatory or areas with noise levels defined by legal requirements as being high.

- Drill records shall include as a minimum: date, time of drill, time to complete the evacuation, results of the drill and necessary improvements.
- The Unit shall identify responsible persons for performing a head count in case of evacuation, in order to ensure all co-workers have left the building.
- Information about evacuation plans shall be provided during introduction training.

7. Non-discrimination

Code provision

The Electrolux Group recognizes and respects cultural differences. Nevertheless, all employees shall be treated strictly according to his or her abilities and qualifications in any employment decisions, including, but not limited to, hiring, advancement, compensation, benefits, training, layoffs and termination.

Definitions

The provision on non-discrimination requires that no distinction should be made between employees based on personal characteristics or beliefs such as, for example, age, race, ethnic group, religion, gender, political opinion, marital status, maternal/paternal status or national or social origin. This means that all employees shall be treated strictly according to his or her abilities and qualifications in any employment decision.

Requirements

- The Unit hires workers based on individual skills and qualifications.
- The Unit shall not ask applicants questions that are discriminatory in nature or irrelevant for carrying out job tasks.
- The Unit shall not ask job applicants about pregnancy status.
- The Unit shall not require job applicants to undergo pregnancy testing.
- The Unit shall not require job applicants or employees to accept contraceptives as a condition of hiring or continued employment.

Good management practice

- The Unit undertakes cultural sensitivity/diversity training programs.
- The Unit undertakes equal opportunity programs.
- The Unit periodically reviews hiring practices to ensure that no discriminatory practices are forthcoming.
- The Unit has identified workstations where pregnant women should not work or only work for limited time periods.

8. Harassment and abuse

Code provision

No employee shall be subject to corporal punishment or to physical, sexual, psychological or verbal harassment or abuse. Earned wages shall not be deducted as a fine or penalty under any disciplinary practice unless regulated by collective bargaining agreement or recognized under laws.

Definitions

- *Corporal punishment* is the deliberate infliction of physical pain intended to punish a person or change his/her behaviour.

Requirements

- All employees shall be informed about behaviours not tolerated in the workplace.
- All employees shall be informed about how to report inappropriate behaviour in the workplace.
- The Unit shall not engage in, or support, the use of corporal punishment, mental, physical, sexual or verbal harassment or abuse such as:
 - Physical contact intended to hurt or harm a worker.
 - Comments suggesting threats of behaviour to harm a worker's physical or psychological well-being.
 - Discipline resulting in the withdrawal of basic physical comforts provided to other workers.
 - Comments or behaviour which are reasonably understood by the worker to be threatening or demeaning.
 - Supervisors or workers touching other workers or gesticulating in ways that could be interpreted as sexually explicit.
 - Sexual comments made to workers that can potentially create a hostile working environment.
 - Requiring any form of sexual favour in exchange for beneficial treatment in employment, or as a condition of maintaining employment.
- The Unit shall not make use of public warning and punishment systems. Reprimands for breach of duty or misconduct shall be a private matter between the employer and the employee and/or his/her representative. The employee at the Unit shall have the right to appeal reprimands/disciplinary actions/dismissal. These appeals shall be recorded.
- The Unit should utilize progressive discipline, e.g. escalating discipline by using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g. immediate termination for theft or assault shall be in writing or clearly communicated to workers.
- The Unit shall maintain written records of disciplinary actions taken.
- If wage deduction is adopted as a practice of disciplinary penalty, the deduction shall not exceed legal requirements and be in line with collective bargaining agreements. Wage after deduction shall not be lower than local minimum wage if nothing else is stipulated by law.

Good management practice

- The Unit has established formal management training concerning employee relations and appropriate management practices, including appropriate disciplinary practices.
- The Unit provides all employees with training on tolerated and not tolerated behaviour in the workplace.
- The Unit has formalized and communicated the details in the progressive discipline procedures. Employees have been informed of progressive steps and when they are executed.

9. Working hours**Code provision**

Electrolux recognizes the need for a healthy balance between work and free time for all employees. Unless national regulations require a lesser maximum hours of work, and except under extraordinary business circumstances, employees shall not, on a regularly scheduled basis, be required to work a standard work week of more than 48 hours per week or a total work week of more than 60 hours (including overtime). Except in extraordinary business circumstances, all workers shall be entitled to at least one day off in every seven-day period.

Definitions

- *Extraordinary business circumstances* are defined as situations that could not have been anticipated such as natural disasters, political upheaval, machinery break down and other mechanical failures. An ordinary production deadline is not considered an extraordinary business circumstance.
- *One day in seven* is defined as 24 consecutive hours, not one calendar day.

Requirements***Working hours***

- Overtime hours must be on a voluntary basis. Under certain circumstances, which are well-defined in local legislation and/or agreed with local trade unions, Electrolux can accept that mandatory overtime hours can be decided by the management of the operating unit.
- All extraordinary situations when work week exceeds 60 hours must be documented in writing by the Unit and presented upon request.
- When necessary (e.g. in peak seasons) the Unit must obtain a waiver from the local labour bureau/ministry to temporarily exceed the maximum overtime hours. The waiver must be in writing and available upon request.
- All employees shall have at least one day off in seven.

Working hour records

- The Unit shall maintain working hour records for each employee, including piece-rate, temporary workers and contracted workers (for at least one year).
- The Unit shall make available – upon request – the working hour records during the course of an Electrolux audit.

- The Unit shall – prior to employment – provide written information to the employee (also mandatory for temporary workers) regarding company working hours policy.

Good management practice

- The Unit provides a worker manual or work rules that defines breaks, rest periods and days off.
- The Unit ensures that the work week does not change from week to week and that all workers are aware of the work schedule.
- The Unit finds good management solutions, such as hiring additional help during peak periods, to ensure that overtime hours are in accordance with the above standards.
- The Unit implements a system, such as a sign-up sheet, for workers to volunteer for overtime.
- The Unit has time clocks or other comparable automated methods for tracking working time and calculating payment.
- Mandatory overtime is always announced at least 24 hours in advance by management.
- A workday including overtime is never longer than 12 hours, even if the 48/60 hours work week requirement is fulfilled.

10. Compensation

Code provision

Wages including overtime and benefits, shall equal or exceed the level required by applicable law.

Requirements

Minimum wage and other salary compensations

- The Unit shall pay its employees no less than local legal minimum wage based on legally stipulated working hours.
- Employees shall be compensated for all hours worked (including all overtime hours) in accordance with legal requirements or contracted rates if higher.
- During downtime periods the employees shall get salary compensation with at least legal minimum wage.

Payroll and attendance records

- The Unit shall maintain payroll and attendance records (for at least one year) pertaining to the documented payment of wages for each employee, including piece-rate and temporary workers. These records shall be available – upon request – during the course of an Electrolux audit.
- The Unit shall – prior to employment – provide written and understandable information to the employee (also applicable to temporary workers) regarding wages and the terms of employment.

Salary payments

- Salaries shall be paid either with money directly to the employees in cash, check payment or by bank transfer.

- Salary payments should be made at regular intervals, at least once per month.
 - In connection with every salary payment, the employee shall receive a pay slip.
- The Unit must not withhold workers' salaries.

Leave

- Employees shall have time off from their job according to applicable legislation, local traditions, industry standards and collective agreement (annual/earned leave, medical/sick leave, parental leave, national holidays etc.)
- All employee leave shall be paid in accordance with applicable legislation and contractual terms.

Breaks

- The Unit shall provide employees with sufficient time off for meals and breaks. One break per shift shall be at least 30 minutes if not otherwise agreed in writing between employer and employee (e.g. in an agreement with local union or worker representatives) or as stipulated by law.

Benefits

- The Unit shall provide its employees with all legally-mandated benefits to which they are entitled (e.g. medical insurance, social insurance, pensions).
- The Unit shall provide its employees with an accident insurance covering medical treatment to work related accidents.
- If a specific uniform or other working clothes are mandatory to use in the workplace these shall be provided free of charge to the workers if nothing else is stipulated by law or agreed in collective agreement.
- Other necessary items to accomplish work assignment like tools, badge, locker etc., shall be provided free of charge to the workers if nothing else is stipulated by law or agreed in collective agreement.

Apprentice/trainee programs

- For apprentice/trainee programs the Unit is required to adhere to any legal requirements governing specific limits on working hours, limits on duties, duration of trainee period and the number of times the same worker can be classified as a trainee. All requirements in this standard are applicable to trainees and apprentices as well as regular employees of the Unit.
- In some cases, apprentice programs provide for payment below minimum wages for the period of training. Limits on the duration of the training period must be strictly followed and wages must be raised to normal pay rates at the end of the training period.
- Salary and other compensation must be paid directly to the trainee and not to teachers or others representing the trainee.

Good management practice

- Workers working more than eight hours a day are provided with more than one long meal break.
- The Unit outlines available benefits to employees and instructs them on how to access them.

- The Unit educates workers on their pay, production bonuses and what deductions are removed from workers' pay.
- The Unit has a system that shows wage rate increases based on competence, seniority and productivity.
- The Unit has time clocks or other comparable automated methods for tracking working time and calculating pay.
- The Unit ensures that workers are informed of the paid leave due them
- Pay slips provided to employees in connection with every salary payment include at least the following information:
 - Pay date.
 - Wage amount.
 - Social insurance.
 - Tax.
 - Working hours, including regular working hours and overtime.
 - Pay methods (cash, bank transfer, check, etc).
 - Agreed deductions.
 - Allowances such as for overtime.

11. Freedom of association and collective bargaining

Code provision

All employees are free to exercise their legal rights to form, join or refrain from joining organizations representing their interests as employees. No employee should be subject to intimidation or harassment in his or her peaceful exercise of these rights. The employer shall also respect the employees' right to collectively bargain.

Definitions

- *Collective bargaining* is defined as negotiations on issues of mutual concern such as health and safety in the workplace, between representatives of employers and employees' associations (freely and independently chosen by the employees).

Requirements

Labor unions

- The Unit is required to apply policies ensuring that employees attempting to form, or who are already members of, an employee's association, or employees not wishing to join such an association are not discriminated against, or otherwise discouraged from exercising their rights to join or disassociate.

Collective bargaining

- The Unit shall not prevent employees from exercising collective bargaining.
- The Unit shall ensure representatives of such personnel are not subject to discrimination, (such as dismissal or any kind of punishment) due to union activity/membership. Union representatives shall have access to their members in the workplace.
- In the absence of worker associations, the Unit shall seek to find appropriate and legal mechanisms through which workers can effectively

express workplace concerns to management. Records shall be kept from these formalized consultations and be made available upon request.

Good management practice

- The Unit has a written policy which states that workers have the right to lawfully form unions or similar organizations which give them the opportunity to collectively address worker grievances and workplace issues.
- The Unit recognizes and bargains in good faith with legally-formed unions.
- Unit consultation mechanisms could include: developing labor-management committees, making space for informal worker groups to meet, or conduct employee surveys to promote harmonious, productive workplace conditions.

12. Environmental compliance

Code provision

Environmental issues are a core concern for Electrolux. The Group applies a holistic approach with the objective to minimize the environmental impact from production, product use and disposal. All Electrolux Group units and suppliers shall operate in full compliance with applicable environmental legislation and Electrolux-specific requirements. The unit shall take appropriate actions to address all relevant environmental impacts, including emissions, waste and resource consumption. A management system shall be in place, aimed to continuously improve the units' environmental standards and performance.

12.1 Environmental governance and procedures

Requirements

- Requirements within Environmental Compliance section are mandatory for all *production* Units. Other Units such as warehouses, offices and other locations have to assess individually the relevance of the requirements in this section and fulfill them only where applicable. This assessment shall be documented.
- Each Unit shall appoint an **Environmental Manager**⁷. The Environmental Manager will report on the environmental performance of the Unit to the local management for review and as a basis for improvement. This review and reporting shall be done at least yearly.
- All Electrolux production units shall be certified under the ISO 14001 standard.
- Each Unit shall identify and comply with all **legal environmental requirements**, including, but not limited to:
 - Air emissions.
 - Water emissions.
 - Ground and groundwater contamination.
 - Noise pollution.
 - Purchasing, handling, use of chemicals.

⁷ An Environmental Manager has responsibility and authority for managing and coordinating environmental issues within the Unit, including implementing and following up environmental legislation, principles and requirements outlined in this document.

- Hazardous and non-hazardous waste.
- All permits and records concerning legal environmental requirements shall be kept and made available on-site.
- The Unit shall verify legal and environmental implications before implementing significant changes in production, processes and buildings.
- Electrolux Units shall report all environmental fines, complaints, demands for investments to be made, demands for investigations or monitoring activities to Electrolux Sustainability Affairs once per year.
Electrolux suppliers shall have this information available upon request.

Assessment of environmental aspects and processes

- Each Unit shall assess and identify **significant environmental impacts**, under its control and influence, ranging from production, products, processes and services. The assessment shall at least include air emissions, water emissions, ground contamination, groundwater contamination, the handling of chemicals, noise pollution, hazardous and non-hazardous waste.
- The Unit shall **identify** manufacturing processes and activities that may result in significant environmental impacts.
- Regarding the processes and activities with significant environmental impact, specific **procedures** shall be in place, including, but not limited to:
 - Procuring and handling chemicals.
 - Handling and disposing hazardous waste.
- Each Unit shall evaluate the potential for ground and groundwater contamination from previous activities that has taken place on the site.

Monitoring and reporting on significant environmental impacts

- The Unit shall **quantify and report on significant environmental impacts** at least once every 12 months⁸. Reports shall include, but not be limited to:
 - Applicable environmental permits and legislation.
 - Energy consumption (type and amount of each energy source).
 - Water consumption (amount of treated and untreated water).
 - Emissions to air and water.
 - Hazardous and non-hazardous waste.

Objectives and targets

- Each Unit shall set environmental **objectives and targets** on the basis of identified significant impacts. Targets shall at least include the reduction of energy consumption. They shall be documented, evaluated and updated at least on a yearly basis.
- The assessment and review of environmental aspects, processes, targets and performance (mentioned above), shall be documented in a written plan and updated at least on a yearly basis.
- The unit management shall implement actions needed to reach set objectives and targets as well as corrective actions for non-conformities with legislation. In case of identified major environmental risks such as

⁸ For Electrolux units, the environmental aspects shall be measured according to the definitions in Electrolux Sustainability Reporting System.

dangerous exceeding legal limits or contamination of ground, or groundwater the identified source of emissions shall be immediately stopped and corrective actions shall be taken.

Training and maintenance

- Staff actively involved in operations and procedures connected with environmental risks shall have appropriate competencies and shall receive necessary training.

As a minimum, training shall be provided to:

- Operators of effluent treatment plants.
- Employees that procure, store, handle and use chemicals.
- Employees handling hazardous waste.
- Environmental managers.
- Training shall be documented and training material periodically updated.
- Processes and equipment linked to significant environmental risks and impacts (e.g. effluent treatment plant) shall be appropriately maintained and inspected. Maintenance and inspections shall be documented.

Good management practice

- The assessment of relevant environmental aspects is made with a methodology where relevant risk areas are identified along with an analysis of probability and magnitudes of various scenarios and impacts.
- Electrolux suppliers are encouraged to obtain ISO 14001 certification.
- If there is a legal requirement for inspections carried out by authorities and the inspection has not taken place, the Unit can request the authority to perform it.

12.2 Chemicals

Requirements

- Each Unit shall establish and maintain a **list of chemicals** used and/or stored on its premises, including their names, MSDS⁹, their purpose/applications and their areas of use.
- Each Unit shall have a procedure in place to ensure proper procurement, storage, handling and use of chemicals to prevent environmental damage or harm to humans and living organisms. The procedure shall be documented.
The procedure shall specify the responsible person(s) and guidelines for safe handling of chemicals.
- Measures for safe handling of chemicals shall include, but are not limited to:
 - Easy to clean hard flooring with closed or lacking floor drains in chemical storage facilities.
 - Presence of containers able to hold the volume of largest barrel/tanks in case of leakage of chemicals.

⁹ Material Safety Data Sheet (MSDS or SDS) is a document containing data regarding the properties of a particular substance. MSDS shall be provided by the chemical supplier; it contains all information required by law such as: physical data (melting point, boiling point, flash point, etc.), toxicity, health effects, first aid measures, reactivity, storage, disposal, protective equipment, and spill handling procedures.

- Adequate ventilation in storage facilities to prevent risk of explosion or other possible hazards.
- Appropriate storage and handling of chemicals located in proximity to production lines, in order to prevent the risk of leakage or hazard to workers or to the environment.
- Presence of appropriate rain, snow and sunlight protection for containers of chemicals stored outdoors. Unopened chemical containers can be stored outdoors without rain protection if they are not subject to corrosion.
- Inspections of above-ground storage tanks equal or larger than 1.5 m³ as well as all underground storage tanks (UST) shall be completed according to law and at least once every two years. Inspections shall be performed both outside and inside the tanks (including pressure test in case of UST.)
- All chemical containers must be appropriately labeled by names in the local language and including risk symbols.
- Information about risks and safe handling of chemicals shall be displayed at the area where the chemical is stored, used or intended to be used. Information shall be in the local language and include hazards, PPE to be used, handling of the chemical, measures in case of spill/contact and applicable first aid measures.

Good management practice

- For use of chemicals, the Unit applies the “Principle of Substitution”, which states that hazardous chemicals should be systematically substituted by less hazardous alternatives or preferably alternatives for which no hazards can be identified.

12.3 Restricted Material List

Definitions

- *Electrolux Restricted Material List (RML)*: The RML has been developed by Electrolux and is used to inform suppliers and Electrolux units of chemicals that are banned, restricted for use and substances that could potentially be of concern. The RML is available online at www.electrolux.com/RML.

Requirements

- Each Unit shall have a procedure in place to ensure compliance with RML requirements.
- The RML shall be communicated to all Electrolux OEM suppliers and to all Electrolux suppliers of materials and components used in Electrolux products.
- An updated version of the RML shall be available to all relevant functions involved in purchasing materials and components.
- The Unit shall cross check the MSDS of used materials and chemicals used with Electrolux RML requirements.

Good management practice

- The Unit performs spot tests on critical components to check compliance with the RML.

12.4 Hazardous and non-hazardous waste**Requirements**

- Each Unit shall take all reasonable action to prevent any environmental risk related to the handling, storage and disposal of hazardous and non-hazardous waste as well any risk for worker' health and safety.
- Each Unit shall have a **procedure** in place for proper handling, storage and disposal of hazardous and non-hazardous waste. The procedure shall be documented.
- Where applicable, contractors for storage, transport and disposal of hazardous and non-hazardous waste must be licensed according to law and copies of licenses shall be available at the Unit.
- Each Unit shall establish and maintain a list of hazardous and non-hazardous waste. The list shall include information regarding the amount of waste, classification of waste and shall be updated at least yearly.
- Hazardous and non hazardous waste shall be stored separately and in pre-defined areas.
- Hazardous waste shall be kept in a specific storage facility. The storage facility shall be designed and maintained to prevent any health risk to people and of emissions to air, water and ground. The same preventive measures as for storage and handling of chemicals must be applied.
- Hazardous waste shall not be land-filled or incinerated on site.

Good management practice

- The hazardous waste storage areas are inspected at least weekly to ensure that containers of hazardous waste are in good shape and are not leaking.

13. Monitoring and compliance**Code provision**

Management is responsible for implementing and informing employees of their rights, duties and responsibilities under this Code of Conduct. Management is also responsible for maintaining adequate documentation to demonstrate its and its suppliers' compliance. As a condition of doing business with the Electrolux Group, suppliers must authorize Electrolux and its designated agents (including third parties) to perform audits, including confidential employee interviews.

Requirements

- The Unit management shall implement and inform all employees of their rights, duties and responsibilities under the Code and Standard. Management shall maintain adequate documentation to demonstrate its and its suppliers' compliance.
- The Unit shall provide Electrolux with information about all production units used by the operating unit.

Internal Code and Standard assessments

- The Unit shall ensure compliance with the Code and Standard.
- In order to ensure compliance, the Unit shall conduct an internal Code and Standard assessments at least once in a twelve-month period. Internal assessments, and corrective actions taken as a result of the assessments, shall be documented and provided to Electrolux upon request.
- The internal Code and Standard assessment can be included in other internal review processes providing that the intentions of all Code requirements are covered.
- In case of an identified non-compliance, the Unit shall point out the root-causes of the non-compliance, attend to them and implement a plan for future conformance.