

# **Tranemo Textil AB General Agreement Code of Conduct 5.0**

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## 1. INTRODUCTION

Tranemo communicates the social, environmental and ethical consideration that Tranemo expect their suppliers to live up to. Tranemo strives to express internationally agreed rules and we expect all Tranemo suppliers to respect fundamental socially, environmental and ethical standards in their activities and share Tranemo support for the underlying returns and convention as International Labour Organization (ILO), the Universal Declaration of human rights, national laws and child labour.

The principles set out in this Code are minimum requirements. Suppliers must always comply with applicable international and national laws, regulations and conventions. If applicable international and national laws, regulations, and conventions are stricter than this Code, they shall prevail.

## 2. FORCED LABOUR/ MIGRANT WORKERS

All forms of forced labour are forbidden, including prison labour or bonded labour as defined by ILO conventions no. 29 and 105.

Tranemo Suppliers should also:

- ✓ Refrain from requiring employees to make deposits or financial guarantees and refrain from retaining identity documents (passports, identity cards, etc.)
- ✓ Refrain from using any form of bonded labour and shall not permit or encourage employees to incur debt through recruitment fees, fines or other means.
- ✓ Respect the right of employees to terminate their employment at reasonable notice and respect the right of the employees to leave the workplace after their shift.
- ✓ Migrant workers shall have the same entitlements as local employees.

## 3. RESPECTING EMPLOYEES

Suppliers must take every effort to prevent any humiliating practices within their company, such as corporal punishment, moral and sexual harassment and/or work under duress and/or threat.

Suppliers must introduce necessary measures to ensure all employees are treated respectfully and with dignity.

Tranemo undertakes that employees visiting business partners will act in an exemplary manner, paying the Supplier's employees due respect and attention.

## 4. DISCRIMINATION

Suppliers or subcontractors should not apply any type of discriminatory practice regarding the recruitment, compensation, promotion or the termination of an employment agreement based upon race, caste, ethnicity, social origin, marital status, sexual orientation, disability, religion, nationality, age, gender and/or union membership or political affiliation. ILO Convention no. 100 and 111.

## 5. PROTECTION OF CITIZENS IN LOCAL COMMUNITIES

Suppliers shall act responsibly towards neighboring society, safeguard the rights of indigenous people and landowners, and treat all members of society fairly and with dignity and respect. Suppliers shall not tolerate nor by any means profit from, contribute to, assist with facilitate the commission by any part of: war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

## 6. CHILD LABOUR

Tranemo comply with internationally established agreements on human rights and good working conditions and do not accept child labour. The minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 where the local law of the country permits, deferring to the greatest age. Additionally, all young workers must be protected from economic exploitation and from performing any work that is likely to be dangerous or to interfere with the child's education or that may be harmful to the child's health, physical, mental, social, spiritual or moral development.

All suppliers should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labour and apprenticeship programs. ILO Convention no. 138 and 182. Convention on the Rights of the Child, article 32.

## 7. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers shall recognize elected employee representatives and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed.

The UN recognizes the importance of open communication and direct engagement between workers and management and suppliers are to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. ILO Convention no. 87 and 98.

## **8. COMPENSATION**

Suppliers and subcontractors should ensure that work is performed on the basis of a recognized employment relationship established in compliance with acceptable laws, regulations and practices as well as international labour standards.

All workers are to have a contract setting out working hours and wages. Supplier should pay their employees at least minimum wage or the prevailing industry standard, whichever is greater. The amount should be sufficient to cover basic needs for the employee and their family as well as provide some additional income. Wages and overtime premiums plus any incentive (or piece) rates should be paid directly to the employee on time and in full. Employees have the right to negotiate collectively concerning their wages.

Supplier companies shall ensure that wage and benefits composition are detailed clearly and regularly for workers; the supplier company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered in a manner convenient to workers. ILO Convention no. 26 and 131.

The Supplier/s shall provide workers with wage statement for every period, which includes number of days worked, wage or piece rate earned per day, hours of overtime and overtime compensation, bonuses, allowances, and legal contractual deductions, if any.

All salaries paid should be traceable, via payslips or company ledgers.

## **9. WORKING HOURS**

The supplier company shall comply with applicable national laws and industry standards on working hours. Except in extraordinary business circumstances, employees may not be required to work more than 48 hours per week and 12 hours overtime or the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime and be entitled to at least one day off in every seven day period. Suppliers must ensure that overtime only may be exceeded so far as may be necessary and infrequent. ILO Convention no. 1.

Suppliers must be able to produce evidence of compliance with this rule in form of entries in company ledgers.

Suppliers must ensure that their employees have adequate rest periods throughout the day and may take at least the minimum number of days paid leave provided by the relevant national laws.

## 10. SAFETY AND HEALTH

Worker's safety must be a priority at all times. A clear set of regulations and procedures must be established and followed regarding occupational health and safety. Workplace practice and conditions which break basic human rights are forbidden. The work environment must meet the demands made by applicable work safety acts and regulations.

Tranemo Suppliers shall:

- ✓ Inform all employees about any risks pertaining to their duties, have access to personal protective equipment where required and be given training in the correct use of such equipment.
- ✓ Ensure that all machines and other equipment are safe to use and correctly maintained so that any health and injury hazards are minimized.
- ✓ Ensure that all handling instructions and safety regulations for handling of chemical and toxic substances are available at the storage areas and all workers who will be exposed to such substances must receive adequate training before handling these chemicals.
- ✓ Provide clean bathrooms and access to potable water. If sleeping rooms are available for the workers these should be designed and maintained in a way that ensures human dignity and an acceptable degree of personal privacy.
- ✓ Ensure that first aid equipment is available in all production areas, and at least one person in each area should receive training in basic first aid.
- ✓ Ensure that fire alarms and fire extinguishers are present and tested on a regular basis and escape routes must be kept clear and well-marked. Suppliers must provide employees with training on evacuation procedures in the event of a fire at least once a year, through documented fire drills.
- ✓ Take adequate steps to prevent accidents and injuries.
- ✓ The premises must be regularly maintained and cleaned and must provide a healthy working environment.
- ✓ Supplier's/s' factories shall be sufficiently lighted and ventilated; there must be windows, fans and/or air conditioners and/or heaters in all work areas for adequate circulation, ventilation and temperature control.

## 11. BUSSINESS ETHICS

Good business ethics and compliance with all applicable laws and regulations are the basis for good business practice. Suppliers should work against all forms of corruption and influencing peddling, including extortion and bribery, whether active or passive, public or private.

Tranemo expects their Suppliers and their own employees to never offer or accept anything of value – whether it is money, a gift, an invitation, a service, or a benefit of any kind including corporate patronage

or sponsorship – that can be viewed as, or has the effect of, improperly influencing the recipient or business decisions. Nor shall the representatives of a supplier accept any or give such inducements. Tranemo Suppliers should certify that they have their own anti -bribery and anti-corruption policy.

Suppliers must fight against any form of money laundering where they operate. Suppliers must in particular be vigilant with regard to financial transactions, in order to detect any anomaly (checking the country of origin of the funds and the payer entity, checking the location of the bank and ensuring that it is not on a black-list, etc.)

Suppliers shall refrain from sharing sensitive information (customer files, marketing plans, commercial strategies, purchase, or sale prices, etc.) with any third party and with any companies who are seen as a Tranemo competitor.

## **12. ENVIRONMENT**

The environment is of increasing concern globally and Tranemo expects its suppliers and other business partners to act responsibly in this respect. Our suppliers must comply with all applicable environmental laws and regulations in the country of operation.

Suppliers should support a precautionary approach to environmental challenges, endeavor to avoid or reduce any waste or emissions as a result of their business activities, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies and products.

Tranemo also encourage and expect the Supplier to make the best environmental choices for all additional processes linked to Tranemo orders.

Suppliers must have the relevant environmental permits and licenses for its operations.

Any waste and in particular hazardous waste must be taken care of in a responsible manner and in accordance with local law.

Water is a scarce resource in many parts of the world and should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. The treated wastewater quality must meet the requirements of local legislation.

### **13. ANIMAL WELFARE**

For products containing animal-derived materials, suppliers shall not tolerate any cruelty or animal neglect. Suppliers will take into consideration the five animal freedoms, as defined by The World Organisation for Animal Health.

### **14. COMPLIANCE AND MONITORING**

Tranemo reserves the right to verify compliance with the Code through Suppliers audits at any time and the Supplier shall provide reasonable assistance to support such audits.

Suppliers shall address any violations of these standards or equivalent standards that come to their knowledge and take appropriate actions. Depending on the severity of the violation appropriate actions could be a request for corrective measures but also the termination of the cooperation with any employee, sub-supplier or contractor who mandated, facilitated or applied unacceptable methods.

It is the responsibility of the supplier to inform subcontractors and other parts involved in the production to comply with these terms.

### **15. WHISTLEBLOWER**

Through Tranemo's whistleblowing system, all employees involved in the manufacture or delivery of products to Tranemo's own employees, business partners etc. are invited to report any malpractices, irregularities, and incidents which is against the basic requirements in Tranemo General Agreement Code of Conduct

By signing Tranemo Acceptance document we confirm that we have read, understood and that we agree to comply with the terms in this Tranemo Textil AB General Agreement Code of Conducts.