

Electrolux Workplace Code of Conduct

Management practices 2.0

For internal use only

About this document

The Electrolux Group Management adopted the Electrolux Workplace Code of Conduct in 2002. The Code requires that all Electrolux units, suppliers and subcontractors comply with the provisions of the Code. This document has been developed to provide “hands-on” guidance to Electrolux operating units on how they can work to ensure that they comply with the Code of Conduct.

The easiest way for a unit to achieve and demonstrate compliance with the Code is by introducing management practices designed for this purpose, and by documenting certain aspects of these practices. Please note that implementing the procedures in this document does not relieve a unit of the obligation to analyze Code-related risks that the unit could face. This may require the adoption and implementation of additional procedures.

Many units already have management systems covering some or all of the issues addressed by the Code. Nevertheless, for the credibility of the Code it is important that all units verify and confirm that their systems cover all aspects of the Code. It is strongly recommended that this document be used in this process. The unit should introduce new practices if the existing system is incomplete.

The Head of each unit is ultimately responsible for ensuring that the unit complies with the Code, including ensuring that the unit has appropriate management systems in place. It is, however, envisaged that the responsibility for the areas covered by the Code will be delegated to certain managers/functions. This document outlines in which part of the organization the various responsibilities will normally rest.

Documentation is an important part of Code compliance. The last page of this document is a list of all Code-related documentation that a unit is required to keep.

This is a living document and it will be updated as necessary and appropriate. If any procedures in this document are in conflict with national and/or local laws, the law shall be followed. The operating unit shall notify Group Environmental Affairs (csr@electrolux.se) about such a conflict without delay.

Should you have any comments on how to improve this document or questions with regard to it, or the Code or Conduct itself please contact Group Environmental Affairs.

The Code of Conduct has been translated to a number of languages to facilitate the communication to employees and suppliers. All available language versions are posted on e-gate or can be requested from Group Environmental Affairs.

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.

Required Practice	Responsibility
<p>Employee feedback mechanism.</p> <p>A formalized procedure for employees to report on observations or dissatisfaction in the workplace, including allegations of non-compliance (including anonymous complaints) with the Code of Conduct. The existence of the system shall be communicated to all employees.</p>	<p>Human resources – establishment and operation of feedback mechanism</p>
<p>Internal Code of Conduct focal points.</p> <p>These individuals shall be responsible for receiving allegations of non-compliance with the Code. As required, both a worker and a management representative shall be nominated to allow employees to make allegations in a manner that make them feel secure. A union or other organization can be used for this purpose.</p>	<p>Head of Unit - nominates focal points</p>
<p>Cultivate an environment in which employees feel encouraged to report non-compliance issues internally.</p>	<p>Management</p>

Recommended Practice	Responsibility
<p>Anonymous suggestion box (e.g. in lavatories or other "out of the way" place, or by utilizing the "regular" suggestion box for this purpose as well.)</p>	<p>Human resources</p>

Required Documentation	Responsibility
<p>Maintain records of all filed allegations of non-compliance and action taken in response to the allegation. Records should be retained to conform to local regulations, and in any event for at least 2 years.</p>	<p>Human resources</p>

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.

Required Practice	Responsibility
Have systems to ensure that the unit remains up-to date with regard to relevant laws and regulations.	Normally related to function. Such as: Legal Human resources Environment Safety Purchasing
Ensure that new or revised laws are promptly communicated and available to all relevant managers (e.g. appoint person/s, as required, responsible for this and have agreement with local legal counsel or similar)	See above
Promptly incorporate new laws and regulations and revisions to relevant laws and regulations into relevant business practices.	See above

Required Documentation	Responsibility
Keep records of any notifications by authorities on instances of non-compliance with laws or other regulations and corrective actions taken in response to the notification. Records should be retained to conform to local regulations, and for at least 2 years.	Legal Environment Production Safety

3. Workplace requirements

Code provision
This Code of Conduct is applicable to all locations and units within the Electrolux Group, and compliance is required of our suppliers. Electrolux units are free to introduce and enforce stricter standards than required in this Code of Conduct.

Required Practice	Responsibility
All practices and documentation requirements addressing relationships with suppliers are included in the below section “Suppliers and subcontractors”.	

Required Documentation	Responsibility
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4. 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 ensure that the subcontractor complies with the requirements in this Code of Conduct. On request, the supplier shall be able to inform Electrolux which subcontractors they use.

NOTE:
Group purchasing has the overall responsibility for the implementation of the Code in the supply chain.
Operating units are responsible for ensuring that the Code is an integral part of the relationship with suppliers that are locally managed. See below for specific practices.
Business sectors have the responsibility for ensuring that social issues are duly considered in the selection of OEM suppliers.

Required Practice	Responsibility
Include as a selection criteria in the supplier selection process the ability of a supplier to meet Code of Conduct requirements.	Operating units- suppliers managed locally Sector purchasing- suppliers managed centrally
Make Code of Conduct requirements part of supplier contracts. <i>Below find sample supplier clause.</i>	Operating units are responsible for inclusion of such a clause in contracts with suppliers managed locally.

Required Documentation	Responsibility
Keep records on cases of suppliers' non-compliance with the Code and corrective actions taken, for at least 2 years and always as long as the relationship with the supplier is in effect.	Operating units – suppliers managed locally Sector purchasing - suppliers managed centrally.
Keep records of any Code compliance monitoring undertaken by the unit. Such monitoring must always be agreed in advance with Group Purchasing.	Operating units -suppliers managed locally Sector purchasing -suppliers managed centrally.

Sample supplier clause

Supplier clause	
(1)	The Electrolux Group has adopted a Workplace Code of Conduct (hereinafter referred to as the Code), attached hereto as <u>Schedule E</u> . In view of the topics covered by the Code, the Electrolux Group requires that its suppliers shall undertake to comply with it, which Supplier hereby agrees to.
(2)	In the event it is alleged that Supplier is in contravention of any of the requirements in the Code, then Customer may request Supplier to provide Customer with all relevant information (including an action plan setting out corrective actions (if necessary) to be carried out by Supplier in order to cure a breach of the Code) to be received by Customer within five (5) business days from Customer giving Supplier notice thereof. If Customer, on the basis of such information or any other information available to it, in its sole discretion, determines that the action plan is not contemplated to cure such a breach in a manner satisfactory to Customer, then Customer is entitled to terminate this Agreement forthwith subject to fifteen (15) days written notice.

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 is found working at a site where Electrolux products and or components are produced, Electrolux encourages remediation that does not worsen the child's social situation.

Required Practice	Responsibility
Require formal age documentation for young looking applicants – e.g. government identification card – and retain a copy, at the time of hiring.	Human resources
Compare age documentation presented for young looking candidates to official documents to identify possible forgeries.	Human resources
Interview young looking candidates to confirm information presented in age documentation.	Human resources
Review all personnel files for young looking workers to ensure all files include copies of appropriate age documentation.	Human resources

Recommended Practice	Responsibility
Provide corrective actions of identified under age workers involving schooling and hiring of family members.	
Provide education programs for authorized minors.	

Required Documentation	Responsibility
Keep a copy of all age documentation for all employees	Human resources

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.

Required Practice	Responsibility
Provide each employee with written contract or policies clearly articulating, or including a reference to applicable collective bargaining agreement or laws clearly articulating, the conditions of employment, (salary, working hours etc) in terms and a language understood by the employees.	Human resources
Pay salaries directly to employees or in accordance with law or collective bargaining agreement. Not paying the salary directly to the employee is only permissible if the law or collective bargaining agreement specifically provides for this.	Human resources
Have workplace rules providing employees the right to basic liberties during the workday (e.g. visit toilet).	Human resources
Have workplace rules prohibiting holding of deposits and rules ensuring that employees keep possession or control of their identity papers or other personal legal documents.	Human resources

Required Documentation	Responsibility
Keep copies of all employee contracts, policies and collective bargaining agreements.	Human resources

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.

Required practice	Responsibility
Establish an Occupational Health & Safety Committee (OHSC) with representatives from: <ul style="list-style-type: none"> - Human Resources - Production Management - Facility Management - Safety, Security and Environment 	Head of Unit nominates OHSC chairman and members.
Develop and implement Occupational Health & Safety strategy.	OHSC
Develop and implement an internal inspection system for Health & Safety. Internal inspections shall be conducted on a regular basis and shall cover both common and function specific areas within the unit.	OHSC
Provide basic education and training on Health & Safety for all personnel, including e.g. emergency evacuation procedures and first aid.	OHSC
Investigate and act upon all workplace accidents, incidents and near misses.	OHSC
Make available and maintain proper first aid supplies.	Facility manager
Make available, at no cost to the employee, personal protective equipment. Train employees on its use and mark areas requiring the use of the equipment.	Production/facility management
Install and maintain necessary safety devices for machines. Operators shall receive proper training before operating the machines.	Production/facility management
Instruct employees on the handling of hazardous substances.	Production/facility management
Train and instruct employees on manual handling, where manual handling cannot be avoided or engineered out.	Production/logistics management

Procedures contd.	Responsibilities
Provide employees with access to clean drinking water and clean washing facilities.	Facility management
Ensure satisfactory ventilation, lighting, temperature levels, humidity levels and noise levels. As a minimum in compliance with local regulations.	Facility management
Maintain a clean and tidy workplace.	Facility management

Required Documentation	Responsibility
Records, reports and responses to all workplace accidents and incidents.	Head of Unit

7. Non-discrimination

Code provision

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.

Required Practice	Responsibility
Effectively communicate the non-discrimination policy to managers, employees and recruitment companies contracted by the supplier in terms and language they understand.	Head of Unit- communicate to managers Head of Unit/Human Resources – communicate to employees and recruitment companies
Establish formal procedure to deal with allegations of discrimination in the workplace.	Human resources

Recommended Practice	Responsibility
Undertake cultural sensitivity/diversity training programs	Human resources
Undertake equal opportunities programs.	Human resources

Required Documentation	Responsibility
Keep complaints filed by employees and job applicants concerning discrimination to conform to local regulations, and for at least 2 years. Actions taken in response to the complaint shall be documented.	Human resources

8. Harassment and abuse / disciplinary practices

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 under a collective bargaining agreement or recognized under laws.

Required Practice	Responsibility
Communicate the policy on harassment and disciplinary practices to all managers, employees and service providers and other companies working on the premises.	Head of Unit – to managers Head of Unit HR manager – to employees Contracting function – to service providers
Maintain written disciplinary practices.	Human resources
Establish formal procedure to deal with allegations of harassment or abuse in the workplace.	Human resources

Recommended Practice	Responsibility
Introduce formal management training on appropriate management practices, including appropriate disciplinary practices.	Human resources
Introduce worker grievance committees.	Human resources

Required Documentation	Responsibility
Keep complaints filed by employees and job applicants concerning harassment to conform to local regulations, and for at least 2 years. Actions taken in response to the complaint shall also be documented.	Human resources
Document all disciplinary actions taken against employees in personal files. Documentation shall be kept to conform to local regulations and for at least 2 years.	Human resources

9. Working hours and overtime

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.

Required Practice	Responsibility
Assign a management level representative responsibility for ensuring the unit does not violate working hours and overtime requirements.	Human resources
Communicate, at the time of hiring, the policy and laws on working hours to all employees in terms and language they understand.	Human resources
Specify the number of working hours and overtime hours required by employees in the employment contract or policies, or in contract or policy, make reference to the applicable local regulation or collective bargaining agreement.	Human resources
Have an employee-involved time recording system that accurately reflects the time worked by each employee.	Human resources

Required Documentation	Responsibility
If overtime in excess of 60 hours – but within the requirements of the law -- is required, obtain agreement from employees that the additional hours are voluntary.	Human resources Production
Retain copies of employee time records to conform to local regulations, and for at least 1 year.	Human resources

Definition

*Unless extraordinary business circumstances. Examples; Break down of equipment, power failures. But not to meet production deadlines

10. Compensation

Code provision

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

Required Practice	Responsibility
The employment contract or policies shall specify, or make reference to the applicable local law or collective bargaining agreement specifying the terms for compensation, both regular and overtime compensation.	Human resources
Provide pay slips clearly specifying regular pay, overtime pay, bonuses, calculations for piecework and deductions.	Human resources
Issue compensation, in cash or its equivalent, directly to the employee or according to instructions from the employee. Other payment methods may be used where explicitly permissible by local law or collective bargaining agreement.	Human resources

Required Documentation	Responsibility
Keep payroll records to conform to local regulations, and for at least 1 year.	Human resources
Provide payroll records that clearly specify regular hours worked, overtime hours worked, regular pay, overtime pay, benefits, deductions etc.	Human resources
When applicable, have a system to calculate and compare piece rate wages and the legal minimum wage.	Human resources

11. Freedom of association & right to 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.

Required Practice	Responsibility
Have a formalized process for employee and employer consultation on issues of mutual concern.	Head of Unit

Required Documentation	Responsibility
Keep records from formalized employee and employer consultations.	Human resources
Keep documents with the names of the employee representatives.	Human resources

12. Environmental compliance

Code provision

The Electrolux Group's Environmental Policy and Position Statements are valid for all Electrolux Group units. Suppliers and their subcontractors are expected to comply with the requirements in the position statement "Restricted Materials List" in addition to local law, and are encouraged to follow the Electrolux Group Environmental Policy.

Practices for manufacturing units

Required practice	Responsibility
All Electrolux manufacturing units with more than 50 employees <i>shall</i> implement an Environmental Management System (EMS) according to ISO14001, and certify the system.	Head of Unit
All Electrolux manufacturing units with less than 50 employees <i>shall</i> implement a simplified EMS (<i>Electrolux EMS for small units</i>). It is not required to certify the system.	Head of Unit
All Electrolux manufacturing units <i>shall</i> compare the Electrolux Group's Environmental Policy and Position Statements, including the Restricted Materials List to existing local procedures to ensure compliance with the Electrolux environmental management.	Head of Unit

Practices for other units (offices, warehouses)

Required practice	Responsibility
Compare the Electrolux Group's Environmental Policy and Position Statements, including the Restricted Materials List to existing local procedures to ensure compliance with the Electrolux environmental management.	Head of Unit
Identify significant aspects (such as e.g. energy consumption and waste) that may affect the environment.	Head of Unit
Provide instructions and conduct training on the significant aspects.	Head of Unit
Develop a plan for controlling and minimizing the environmental damage in case of an accident.	Head of Unit

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.

Required Practice	Responsibility
Communicate the Code of Conduct principles and related policies to all relevant managers and have them sign that they understand and will respect all the provisions of the Code.	Head of Unit
Communicate the Code of Conduct principles and related policies to all employees in terms and languages understood by all employees (e.g. inclusion in employee introductory packages, posting on notice boards).	Head of Unit Human resources
Reserve the right to perform audits of suppliers to ensure compliance with the Code principles.	Local purchasing

Required Documentation	Responsibility
Maintain on-site all records necessary to demonstrate compliance with the Code - e.g. personnel, payroll, time, health and safety, and environmental records. (Please see separate documentation requirements on next page)	Head of Unit

Record keeping

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Note: all documentation shall be kept on site

Document Name	Keep for ¹
Applicable local laws and regulations:	
Child labor	Up-to-date
Restrictions and special measures for workers below the age of unrestricted employment (authorized minors)	Up-to-date
Minimum wage	Up-to-date
Working hours (regular and overtime)	Up-to-date
Annual leave and required holidays	Up-to-date
Freedom of Association and Collective Bargaining	Up-to-date
Non-discrimination/ Harassment	Up-to-date
Health and Safety	Up-to-date
Environment	Up-to-date
Factory policies and record:	
Employee handbook / terms and conditions of employment	Up-to-date
Wage and hour policies	Up-to-date
Government Licenses, Certificates of Operation, Inspection Reports, Notifications re: sanitation, fire safety, worker safety, structural safety, environmental compliance, Material Safety Data Sheets, etc.	2 years
Machinery inspection / service logs	Up-to-date
Policies / procedures on use of personal protective equipment	Up-to-date
Accident / injury log	Up-to-date

¹ Documents shall always be kept to conform to local regulations and in any event always at least for the time stated in the right column (“keep for”).

Emergency medical procedures	Up-to-date
Evacuation plan and procedures	Up-to-date
Time records	1 year
Payroll records (i.e. piece rate records, pay stubs, etc.)	1 year
Support for overtime calculations	1 year
Supplier records (i.e. current suppliers, communication of Code, purchase orders, audits undertaken, supplier non-compliance, corrective action plans, etc)	Non-compliance - 2 years
Worker grievances/complaints (including response to grievance), e.g. harassment, discrimination.	2 years
Employee documentation:	
Personnel file (including job application, employment contracts, discipline notes, etc.)	2 years
Personnel identification cards, birth certificates, or other identification records (note: do not keep original identification cards or work permits – make copies)	2 years

Dormitories and dining areas:	Keep for
Government Licenses, Certificates of Operation, Inspection Reports, Notifications re: sanitation, fire safety, structural safety, food handling and preparation permits, etc.	2 years
Dormitory rules and regulations	Up-to-date