



# LRS Code of Conduct

Being an international sourcing partner LRS realize the importance to take responsibility for all our undertakings, in Scandinavia and in all other locations around the world where activities are performed by or on behalf of LRS. Most important is our responsibility towards all the thousands of people around the globe, engaged directly or indirectly on our behalf. Nobody should be harmed mentally or bodily neither be deprived of their basic human rights.

Being an international sourcing partner LRS realize the importance of subscribing to high social and ethical standards.

In order to make our position clear to our own staff, our suppliers and customers and other interested parties, we have transformed our requirements into a Code of Conduct. The requirements herein are non-negotiable and all suppliers and their subcontractors, without any exemptions, should follow the code. LRS will discontinue cooperation with any party that persists in noncompliance with our Code of Conduct. A condition for being an approved supplier to LRS is to understand, approve and comply with the following

## Code of Conduct

### Information obligations

This document shall be translated and displayed in such a way that anyone whose work contributes to LRS products and services is aware of the principles of the Code. It is the responsibility of partners and suppliers to ensure that their employees and subcontractors are informed about and comply with this Code.

### Legal requirements

All of LRS partners and suppliers must, in all activities, obey national and regional statutory requirements in the countries in which they are operating. Should any of the requirements stated in this document be in violation of the law in any country or territory, the local law should always take precedence. In such case, a supplier must immediately inform LRS.

It is important to understand that LRS requirements can exceed the requirements of national law.

### Human rights

LRS support and respect the protection of internationally proclaimed human rights. Our view of human rights is based on the 1948 Universal Declaration of Human Rights (UDHR) concerned with the following;

#### **Equality**

All human beings are born free and equal in dignity and rights. Therefore LRS prohibit any distinction in the enjoyment of human rights on such grounds as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

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## **Life and Security**

LRS adhere to the principle that every human being has the right to life, liberty and security. This means that suppliers and subcontractors to LRS never can engage themselves in inhuman or degrading treatment of their employees.

## **Personal Freedom**

LRS supports the right to protect a person's privacy in matters relating to family, home, correspondence, reputation and honour, and freedom of movement.

## **Economic, Social and Cultural Freedoms**

Touching other aspects of the daily life LRS adheres to the right to social security and to the economic, social and cultural right indispensable to human dignity and free development of each individual's personality.

The responsibilities for human rights do not rest with governments or nation states alone. Human rights issues are important both for individuals and the organisations they create. LRS therefore has a responsibility to uphold human rights in our places of work and more broadly within our sphere of influence.

## **Labour**

### **Workplace conditions**

It is important for all workers' well being, that chemicals are handled in a safe and correct way. All chemicals shall be marked, and labelled in a correct way. Training and instructions for handling chemicals must be performed and workers must have adequate body protection. The temperature and noise level of the work environment should be tolerable. Lighting should be sufficient for the work performed. The workplace should have an adequate number of sanitary facilities.

### **Housing conditions**

If housing facilities to the employees are provided for, the workers' safety and workplace conditions described above are applicable also to the housing facilities. All workers should be provided with their own individual bed. Dormitories, toilets and showers should be separated for men and women. There should be no restriction on workers' rights to leave the dormitory during off-hours. Fire alarms, fire extinguishers, emergency exits are of particular importance in dormitory areas.

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## **Forced Labour**

There shall not be any use of forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.

## **Child labour**

LRS bases its child labour code on the UN Convention on the Rights of the Child, article 32.1. A child in this context is a person younger than 15 years of age, or 14 years of age in accordance with the exceptions for developing countries as set out in Article 2.4 in the ILO Convention No.138 on Minimum Age.

LRS “recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral or social development”.

LRS does not accept child labour. LRS acknowledge that it exists and realize that it cannot be eradicated by simply setting up rules or inspections, but by actively contributing to the improvement of children’s social situations. LRS will request that the employer acts in accordance with the overall best interests of the child. A satisfactory solution is whatever improves an individual child’s overall situation. The employer should cover the costs for this.

LRS will discontinue cooperation with any party that persists in non-compliance with our child labour code.

LRS acknowledges that according to Article 1 of the UN Convention on the Rights of the Child, a person is a child until the age of 18. We therefore recommend that children in the age group 15-18 years be treated accordingly, i.e. by limiting the total number of working hours per day and implementing appropriate rules for overtime. Children in this age group are not allowed to perform hazardous work.

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## **Harassment or Abuse**

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

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## **Non discrimination**

No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

## **Health and Safety**

We require from our suppliers that the workers' safety should be a priority at all times. Suppliers shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. No hazardous equipment or unsafe buildings are accepted. Buildings must have clearly marked exits, and emergency exits on all floors. All exit doors should open outwards. Exits should not be blocked by cartons, material and debris. Exits should be well lit. All workers shall be informed of the safety arrangements. An evacuation plan should be displayed in the factory, the fire alarm should be tested regularly and regular evacuation drills are mandatory. First aid equipment must be available in every factory and at least one person in every department must have training in basic first aid. We further recommend that a doctor or nurse should be available on a short notice, in case of accident. The employer should pay any costs (not covered by the social security) which a worker may incur for medical care, following an injury during work in the factory.

## **Freedom of Association and Collective Bargaining**

Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

## **Wages and Benefits**

Employers recognize that wages are essential to meeting employees' basic needs. Employers shall pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

## **Hours of Work**

Except in extraordinary business circumstances, employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) 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 (ii) be entitled to at least one day off in every seven day period.

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## Overtime Compensation

In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

## Environment

The environment is of increasing concern globally and LRS expects its suppliers and partners to work proactively with sustainable development issues and to constantly improve and bring down their environmental impact. LRS therefore expects that our suppliers and partners

- avoid all use of hazardous chemicals and materials. If necessary, adequate equipment, to secure a safe handling of hazardous chemicals and material, shall be installed and used.
- to replace non renewable resources with renewable wherever possible.
- to have an adequate and efficient waste management system installed to avoid all kinds of pollution to air, grounds and waters.
- work along the precautionary principle which means that the supplier shall
  - + take actions if necessary before scientific proof is available on the grounds that delay in the action will cause damage to nature and society.
  - + build in safety margins when setting standards in areas where significant uncertainty still exists.
  - + promote best available technology.
  - + implement cleaner production and industrial ecology approaches.
- to not only follow existing environmental legislation, but in certain areas do more than the law requires.
- to conduct its business in a manner that utilises resources as efficient as possible.
- to always select the most eco- efficient suppliers.
- to constantly take measures to improve the suppliers environmental impact.

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## Transparency

LRS always work against corruption in all its forms, including extortion and bribery.

Basic criminal statutes of virtually all countries prohibit extortion and bribery. Under no circumstances may a supplier or partner solicit or accept a bribe. A supplier or partner may not pay a bribe. A bribe may be defined as any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind that is provided, directly or indirectly, and that has as one of its purposes the improper obtaining or rewarding of favourable treatment in a business transaction. LRS will not support a transaction that involves the offer or giving of a bribe, and will exercise reasonable diligence and care not to support unknowingly such a transaction.

Any breach and/or attempted breach of this conduct should be reported to LRS at once.

## Monitoring

LRS expects all its partners, suppliers and their subcontractors to respect this Code of Conduct and to actively do their utmost to achieve its standards. All partners and suppliers are obliged to keep LRS informed about where an individual order is produced. LRS reserves the right to make unannounced visits to sites where people work directly or indirectly for LRS. LRS also reserve the right to let an independent party make inspection.

## Non-compliance

Should we find a supplier or a subcontractor, not complying with our Code of Conduct, if corrective actions are not taken within the agreed time limit, we will terminate our business relationship with this supplier or subcontractor. If the violation is grave, termination will be immediate and orders will be cancelled.

Gothenburg / London