

# SWEDISH STOCKINGS

With the future in mind

CODE OF CONDUCT 2023

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## 1. INTRODUCTION

SWEDISH STOCKINGS strive for a production that impacts our environment as little as possible and we want to ensure that our products are manufactured ethically and respectfully where responsibility has been taken to preserve the earth's resources and social responsibility.

We have presented this Code of Conduct to clarify the minimum standards expected from the business partners who are, directly or indirectly part of the value chain of SWEDISH STOCKINGS

### ABOUT THE CODE OF CONDUCT

The requirements in this Code of Conduct are based on:

- Swedish and EU legislation
- UN Universal Declaration of Human Rights
- UN International Covenant on Civil and Political Rights
- UN Covenant on Economic, Social and Cultural Rights
- Article 32 of the UN Convention on the Rights of the Child
- International Labour Organisation's (ILO's) eight fundamental conventions
- UN Convention against Corruption
- EU's REACH regulations (Registration, Evaluation, Authorisation and restriction of Chemicals)
- World Organisation for Animal Health (OIE)
- Industry practice

All requirements in this document are mandatory. The Supplier shall acknowledge and commit to complying with the requirements set out in this document, and verify its compliance from all stakeholders within its own supply chain. Compliance with SWEDISH STOCKINGS Code of Conduct is mandatory in order to establish and maintain a business relationship with SWEDISH STOCKINGS.

### Definitions

This Code of conduct applies to all business partners – suppliers, factories, distributors and sub contractors, that are in a business relationship with SWEDISH STOCKINGS.

Please note the below key items, in order to avoid any misunderstanding or interpretation of our Code of Conduct:

- *Supplier*: refers to the organisation that has a direct contractual agreement with SWEDISH STOCKINGS on delivering products, components, materials or services.
- *Subcontractor*: Supplier of goods or services who is involved in any level of the Supplier's supply chain.
- *Factory / manufacturing unit / production facility / production unit*: means any unit used for any production process of items or components of items produced for SWEDISH STOCKINGS.
- *Worker / employee*: every person employed directly by SWEDISH STOCKINGS or at any production unit producing items or components of items for SWEDISH STOCKINGS, including temporary workers, contract workers, trainees, trial workers, period workers and migrant workers.
- *Business partners*: refers to supplier, factory, subcontractor that has a direct or indirect contractual agreement with SWEDISH STOCKINGS on delivering products, components, materials or services.
- *Unauthorised outsourcing / unauthorised subcontracting*: is defined as the practice of carrying out production operations in a manufacturing unit that has not been approved by SWEDISH STOCKINGS, regardless of whether the unapproved production unit is owned or controlled by the Supplier.

## **2. FACTORY APPROVAL**

SWEDISH STOCKINGS believes in the importance of long-term relationships with our suppliers founded on mutual respect and dialog. Transparency is very important for a good collaboration, therefore must SWEDISH STOCKINGS be informed of and approve all manufacturing units.

### **2.1 APPROVAL OF MANUFACTURING**

All factories intended for SWEDISH STOCKINGS production must receive written approval before any sampling starts. No orders can be placed unless the factory has been accepted by SWEDISH STOCKINGS for production. Requests for approval of new factories must be sent in writing. The contact information of all factories, including factory name, address, phone number, email and contact person, shall be provided.

### **2.2 OUTSOURCING**

No production can take place in any manufacturing unit that has not been approved by SWEDISH STOCKINGS, regardless of whether the unapproved production unit is owned or controlled by the Company. Requests for approval of new manufacturing units must be sent in writing. The contact information of all factories including name, address, phone number, email and contact person, shall be provided. The factory outsourcing the sampling/production is responsible that also the subcontractors follow all requirements of SWEDISH STOCKINGS Code of Conduct.

### **2.3 AUDITS**

SWEDISH STOCKINGS reserve the right to initiate assessment activities and audits at all factories used to produce products for SWEDISH STOCKINGS, in all tiers of the supply chain, including announced, semi-announced and unannounced audits.

### **2.4 CORRUPTION**

All forms of bribery and corruption are prohibited and must be counteracted (UN Convention against Corruption). The supplier must have a policy and procedures in place for gifts and benefits. All applicable legislation regarding bribery and corruption must be complied with.

An active work to combat corruption should be established and implemented at all levels of the business.

## **3. ENVIRONMENTAL REQUIREMENTS**

SWEDISH STOCKINGS Business partners shall comply with all applicable environmental laws and regulations in the jurisdictions in which they operate. This includes laws and regulations related to air quality, air emissions, water conservation, water quality, water use, waste, re-use, recycling, and energy efficiency. It is expected that ongoing efforts will be made to prevent and mitigate environmental burdens. Any procedures and standards in force for waste management, handling chemicals and other hazardous substances and their disposal and those pertaining to emissions and waste water treatment shall be observed. SWEDISH STOCKINGS will continuously seek out business partners who provide proactive leadership and partnership in reducing these impacts.

#### **4. WORKING CONDITIONS**

SWEDISH STOCKINGS requires that all suppliers guarantee good working conditions and a good working environment in the manufacturing process. In accordance with international principles, the people who produce our products must have acceptable working conditions. Where there is a discrepancy between national and international provisions, the supplier shall comply with the most stringent standard.

These requirements are mandatory and apply to all workers; every person employed directly by SWEDISH STOCKINGS or at any production unit producing items or components of items for SWEDISH STOCKINGS, including temporary workers, contract workers, trainees, trial workers, period workers and migrant workers.

##### **4.1 TERMS AND CONDITIONS OF THE EMPLOYMENT**

Terms and conditions of employment must be communicated to employees in a way which they can understand. Wages and conditions must be fair and reasonable, and should as a minimum, meet the highest national statutory requirements and industry standards. All employees must have a written contract of employment which includes details of their terms and conditions of employment. The contract must, at minimum, specify the employer's name, date of birth, working hours, overtime arrangements and notice period (ILO Conventions 122 and 158).

##### **4.2 WORKING HOURS AND OVERTIME**

Weekly working hours may not exceed the statutory limits, including overtime. Employees must not be forced to work overtime on a regular basis and must be entitled to at least one day's leave in each seven-day period (ILO Convention 1).

Overtime work should always be voluntary and not demanded on a regular basis. Overtime must as a minimum be compensated at the legal premium rate, and suppliers are encouraged to compensate overtime at a higher rate than the regular hourly rate.

An effort should be made to ensure that employees' workload is evenly and fairly distributed in the short and long term.

##### **4.3 HEALTH AND SAFETY**

The employees must be offered a safe, healthy and hygienic work environment. Preventive measures that minimize injuries and health risks must be taken. Employees must be protected against conditions that may pose a danger to the employee's physical and / or mental health.

Employees must have access to the appropriate protective equipment, first aid equipment and basic fire fighting equipment must be available, emergency exits must be clearly marked and not blocked at any time. An evacuation plan in case of fire or other emergency must be communicated and visible to all employees.

Regular health and safety training including fire safety procedures must be carried out. An effective regulatory framework must be implemented in order to keep health risks to a minimum (ILO Convention 155). Violence, the threat of physical violence, unreasonable punishments or disciplinary measures, sexual harassment and other forms of harassment and threats by the employer are strictly forbidden.

The supplier should actively work to ensure the long-term safety, good health and wellbeing of all employees. Regular workplace safety reviews should be carried out by independent third parties.

##### **4.4 WAGES AND OTHER PAYMENTS**

Employee's wages must at minimum, correspond to the statutory minimum level. Wages, including overtime payments, must be paid on time as agreed and at least once a month. Overtime payments must be in accordance with national legislation or collective agreements. Where payment for overtime work is not specified in legislation or in a collective agreement, overtime payments must, as a minimum, be in line with industry practice.

Payslips containing full payment information must be issued at the end of each pay period. This information must include the number of days worked, gross pay or piece-rate pay earned, overtime hours with specified hourly rate, any bonuses and deductions and net pay (ILO Conventions 26 and 131).

Wages must reflect the experience, qualifications and performance of the employee. And the employee must always be compensated correctly for any type of paid leave that they are entitled to according to national law.

There should be processes in place, including dialogue with employees, to check and ensure that the wages paid enable the employee and his/her family to have a decent standard of living.

When possible, audits by independent third parties should be carried out regularly to ensure that the salary paid complies with salary specifications.

#### **4.5 DISCRIMINATION**

All forms of discrimination or harassment based on gender, ethnicity, skin colour, faith, age, disability, sexual preference, pregnancy, nationality, political views, union membership, social background or other factors that may give rise to discrimination must be prevented. All employees must be treated with respect and dignity (ILO Conventions 100 and 111).

Any physical, sexual, physiological or verbal harassment is strictly forbidden and must be prevented.

Work designed to prevent discrimination and to encourage equality, openness and inclusion in the workplace should be undertaken on an ongoing and targeted basis. An ongoing effort should be made to strengthen women's role and rights for equality in the workplace.

#### **4.6 FREEDOM OF EXPRESSION**

Employees must always have the right to express opinions and thoughts about their workplace and full freedom of expression.

The right of employees to join, form or not to join trade union organizations without being subject to threats or harassment must be respected (ILO Conventions 87 and 98). In countries where freedom of association is regulated by law, alternative forms of worker representation must not be prevented (ILO Convention 135).

There should be continuous, proactive dialogue between management and representatives freely selected by employees around issues concerning employees' terms and conditions, work environment and wellbeing.

#### **4.7 POSITIVE WORK ENVIRONMENT**

Employees, indiscriminately, shall be treated with equality, dignity and respect. Sanctions, fines, other penalties or disciplinary measures may only be taken in line with current national and international standards and with internationally recognized human rights.

#### **4.8 CHILD LABOUR**

Children must be protected against financial exploitation and against hard work. No worker may be under 15 years of age or younger than the statutory minimum age for work, if this age exceeds 15 years. Work performed by children under the age of 18 must not affect statutory schooling and must not be harmful to the child's health, safety or mental development. Children must never work night shifts. (Article 32 of the Convention on the Rights of the Child and ILO Convention 138)

When possible in high-risk countries, unannounced inspections should be performed on a regular basis by an approved independent third party, to detect possible child labor. There should be an action plan to detect cases of child labour and how they should be managed in accordance with the child's best interests.

#### **4.9 FORCED LABOUR**

All forms of forced labor are prohibited (ILO Conventions 29 and 105). This means that employees must be free to terminate their employment with reasonable notice, in accordance with national legislation or agreements. The employer may not restrict the employee's freedom and mobility by, for example, taking possession of original ID documents or restrictions on employees' right to leave the workplace after completing their work shift.

Efforts should be made to ensure that contract staff and seasonal employees do not fall victim to human trafficking. No workers should be forced to pay intermediaries to get employment.

#### **5. USE OF CHEMICALS**

Business partners shall conduct all operations in full compliance with all applicable laws and regulations regarding chemical use and disposal, including maintaining valid permits. Business partners manufacturing any product for SWEDISH STOCKINGS shall meet all contractually agreed applicable requirements specified in SWEDISH STOCKINGS Quality Assurance Agreement. Storage, handling, use and disposal of all chemicals used must comply with the Safety Data Sheet (SDS) of each chemical product.

#### **6. ANIMAL WELFARE**

Suppliers must respect animal welfare and work progressively towards adopting healthy and humane practices towards animals based on best available technology and standards. Suppliers must ensure the material sourced to the manufacturer do not come from countries or regions where animal welfare is not respected or where the activity

results in deforestation. It is the supplier's responsibility to adopt mechanisms to ensure and prove the above guidelines are followed

We will engage with our suppliers and business partners to ensure that they share our commitment to animal welfare, and we will work with those who meet our standards.

## 7. COMPLIANCE WITH LEGALISATION, REGULATIONS AND CONTRACTS

Business partners shall comply with all applicable laws and regulations (including anti corruption and bribery laws) where they conduct business and shall meet the contractual obligations established between the parties throughout the contract period.

### 7.1 TRANSPARENCY

SWEDISH STOCKINGS and our suppliers are responsible and have the goal to ensure social and environmental responsibility and the integrity of our product content claims throughout the supply chain. SWEDISH STOCKINGS believes transparency and traceability is a crucial step to transform the industry and work towards this goal. Therefore, SWEDISH STOCKINGS requires suppliers to map and continuously track and monitor all locations in all levels of their supply chain and, upon request, provide transparency information into the owned and/or subcontracted farms, mills, plants, factories and other sites that are involved in the production.

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