

Lavish Design Code of Labour Practices

1. Lavish Design AB undertakes to only trade in materials that have been produced under dignified working conditions.
2. To that end Lavish Design AB agrees to implement the labour standards (section 3 below) in the factories it is sourcing from and agrees to put sufficient and effective efforts into ensuring that this code is followed by its contractors, subcontractors, suppliers, and licensees.

3. Labour Standards

The labour standards are based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration on Human Rights. In the text below references are made to specific conventions. Where clarifications of ILO Conventions are required, Lavish Design AB follows ILO Recommendations and existing jurisprudence.

3.1 Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

3.2 There is no discrimination in employment

Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps. (ILO Conventions 100 and 111)

3.3 No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years. (ILO Convention 138) There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. Children [in the age of 15-18] shall not perform work which,

by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. (ILO Convention 182)

3.4 Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

3.5 Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

3.6 No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

3.7 Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational

hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

3.8 Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

4. Employees should be informed that they are producing under minimum conditions as outlined in Lavish's Code of Labour Practices. These conditions should be explained in a way that the Code is made understandable. Lavish Design AB reserves the right to let an independent third party inform employees about the Code of Labour Practices.
5. Lavish Design AB undertakes to assure that its contractors, subcontractors, suppliers, and licensees abide by the standards established in this Code of Labour Practices and shall work toward the verification of these standards.
6. Lavish Design AB shall stipulate that contractors, subcontractors, suppliers, or licensees who demonstrably fail to comply with one or more of the standards laid down in the Code of Labour Practices, take appropriate measures to ensure that the situation is improved. If necessary, the offending party shall be sanctioned by cancellation of its contract, thus prohibiting it from producing or organising the production of products for Lavish Design AB.
7. Lavish Design AB declares that it agrees to independent verification of its compliance with this Code of Labour Practices. Lavish Design AB reserves the right to make unannounced visits to all factories producing its goods, and let an independent third party of Lavish's choice undertake audits or inspections, at any time. All suppliers are obliged to always keep Lavish Design AB informed about the locations in which each order is being produced.