

# CODE OF CONDUCT

casall®

## Introduction

Casall's mission is to own the position of fashionable, high-performing, and sustainable activewear and workout equipment worldwide, and that can only be achieved through close collaboration with our partners throughout the whole value chain. We design for the long run and aim for longevity in all aspects, including environmental and social areas. Everything we produce has an impact on the planet and on us, its inhabitants. Therefore, our actions need to be carefully considered. We are responsible for our impact and aim to constantly improve our understanding and processes. Taking responsibility has been close to our hearts since 1984 and remains one of our core values. We seek suppliers committed to continuous improvement who share our values and aspire to progress in their and our shared sustainability journey.

This Code of Conduct applies to all suppliers, their sub-contractors, and other business partners that do business with Casall AB (corporate organisation number 556583-4479) and its subsidiaries, with offices at Ströbogatan 25, 616 34 Åby, Sweden, from now on referred to as Casall. From now on, the undersigning party of this Code of Conduct will be referred to as the Supplier.

This Code of Conduct is written and valid in English. Where there are different language versions of this document, these shall be considered translations of convenience only and the English version will prevail in any case of discrepancy.

This Code of Conduct specifies what we, as a minimum, require from our suppliers. The code of conduct is based on the Universal declaration of human rights (UN), the Convention on the Rights of the Child (UN), the ILO core conventions, and also considers national legislation. Regarding animal welfare, Casall's Animal Welfare Policy applies.

## 1. Legal requirements

In all their activities, the Supplier must follow the national and applicable international laws in the countries where they operate. Should any requirement in this Code of Conduct conflict with the national or international law applicable in any country or territory, the law must always be followed. In such cases, the Supplier must notify Casall immediately before signing this Code of Conduct. However, Casall requirements may go beyond the conditions set out in national law.

## 2. Child labour and minimum working age

Casall does not accept child labour and recognises, per the UN Convention on the Rights of the Child, that a person is a child until 18 years of age. We acknowledge the rights of every child to be protected from economic exploitation and from performing any work that is likely to be harmful or to interfere with the child's education or to be detrimental to the child's health or physical, mental, spiritual, moral, or social development.

Employment of any persons under the age of 15 or underage for completion of compulsory education, whichever is higher, is prohibited. Young workers (ages 15-17) shall refrain from performing work which, by its nature or the circumstances in which it is carried out, is likely to compromise any of the abovementioned aspects (ILO Conventions 138 and 182). The Supplier is required to take necessary measures to ensure compliance, such as requiring proof of age and maintaining documentation. Special care is to be taken in the case of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. If removing children from the workplace, the Supplier should, in a proactive manner, identify measures to ensure the protection of the affected children. If appropriate, the possibility of providing decent work for adult household members of the affected child's family should be pursued.

## 3. Forced labor

Employment should be freely chosen. The Supplier shall not use any forced labour, including but not limited to slave, indentured, bonded, trafficked and prison labour. The Supplier is required to monitor any third party that assists them in recruiting or hiring employees to ensure that people seeking employment at their facility are not bound to work through force, deception, intimidation, coercion or as a punishment for holding or expressing political views (ILO Conventions 29, 105, 182). Employees shall never be withheld of personal salary, documents, or other personal belongings to be forced to continue to work for the Supplier. Employees also have the right to freely terminate their employment provided that reasonable notice is given to the employer.

## 4. Human treatment and respect

The Supplier shall treat each employee with dignity and respect. Casall does not accept humiliating or corporal punishment, threats of violence, or other forms of physical, sexual, psychological, or verbal harassment or abuse, nor monetary fines or embarrassing acts as a disciplinary measure.

## 5. Discrimination

The Supplier shall ensure no one is subject to discrimination in any aspect of the employment, including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline, termination, or retirement, based on race, religious belief, colour, gender, pregnancy, childbirth or related medical conditions, age, national origin, ancestry, sexual orientation, gender identification, physical or mental disability, medical condition, illness, genetic characteristics, family care, marital status, caste, socio-economic situation, political opinion, union affiliation, ethnic group, disease or any other classification protected under applicable law (ILO Conventions 100 and 111).

All employment decisions must be made based on the principle of equal employment opportunity and shall include effective mechanisms to protect migrant, temporary, or seasonal workers against discrimination. Also, the Supplier must cover any commissions and other fees concerning the employment of migrant workers. The Supplier must not require the employee to submit his/her identification documents. Deposits are not allowed

## 6. Freedom of Association

The Supplier must respect employees' right to join organisations of their choice. The Supplier shall recognise and respect the right of employees to freedom of association and collective bargaining. Casall does not accept disciplinary or discriminatory actions from the Supplier against employees who choose to peacefully and lawfully organise or join an organisation.

If operating in countries where the right to freedom of association and collective bargaining is restricted or prohibited by law, the Supplier shall respect this principle by allowing workers to freely elect their own representatives with whom the Supplier can enter dialogue about internal industrial disputes, employee complaints, and ensure effective, respectful, and transparent communication.

## 7. Wages and compensation

The Supplier recognises that wages are essential to meeting employees' basic needs and that everyone who works has the right to just and favourable remuneration, ensuring for themselves and their families an existence worthy of human dignity.

Wages must be paid regularly on time and reflect the employee's experience, qualifications, and performance. As a minimum, the Supplier shall pay the statutory minimum wage, the prevailing industry wage or the wage negotiated in a collective agreement, whichever is higher. In any event, wages should always be enough to meet basic needs and provide some

discretionary income. Benchmarks provided by Fair Wear Foundation can be found [here](#)<sup>1</sup>.

All other legally mandated benefits and compensations shall be paid; examples of such leave include annual, maternity/parental, and sick leave. No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated for the pay period concerned each time they are paid.

In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125% (ILO Convention 1 and 30).

## 8. Employment

All employees are entitled to a written employment contract outlining all relevant information, including the agreed compensation and the working hours, before entering employment. This contract should be written in a language understandable to the employee. The Supplier ensures all employees know their legal rights and obligations.

Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

Any disciplinary procedures established should be written and explained clearly to the employees. All disciplinary actions shall be recorded.

The Supplier should also aim at providing decent working conditions that support workers, both women and men, in their roles as parents or caregivers, especially concerning migrant and seasonal workers whose children may be left in the migrants' hometowns.

## 9. Working hours

The Supplier shall not require employees to work more than the regular overtime hours allowed by the law of the country where the employees are employed. In no event will the typical work week exceed 48 hours, or the maximum permitted by the law of the country of manufacture, whichever is less. All overtime work shall be consensual. The Supplier shall not

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<sup>1</sup> <https://fwf.my.site.com/livingwage>

request overtime hours regularly. The sum of regular and overtime hours in a week shall not exceed 60 hours or the maximum allowed by the law of the county of manufacture, whichever is less (ILO Convention 1). The Supplier shall enable employees to take breaks during work shifts and at least 24 consecutive hours of rest every seven days. Piece-rate work should not be exempted from the right to overtime compensation.

## 10. Health and safety

The Supplier shall take a proactive approach to health and safety by implementing policies, processes and training designed to prevent accidents and injuries and protect worker health. The Supplier shall provide employees a safe and healthy workplace, at a minimum, in compliance with all applicable laws, including but not limited to:

- Providing reasonable access to potable water and sanitary facilities that may be used without restrictions.
- Adequate lighting and ventilation.
- Emergency exits on all floors must be clearly marked, well-lit and unblocked throughout the building.
- Evacuation through emergency exits must always be possible during working hours.
- Relevant first aid equipment must be available.
- Provide effective Personal Protective Equipment (PPE) to all workers free of charge.
- Seek to improve workers' protection in case of accident, including through compulsory insurance schemes.
- Take all appropriate measures within their sphere of influence to see to the stability and safety of the equipment and buildings they use, including residential facilities for workers when provided by the Supplier and to protect against any foreseeable emergency.
- Active cooperation between management and workers and/or their representatives is crucial to developing and implementing systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.
- The responsibility for health and safety should be assigned to a senior management representative.

### 10.1 Housing conditions

If the Supplier provides housing facilities for its employees, the exact health and safety requirements as above apply. The dormitory must be separated from the workplace and have a separate entrance. Employees should have free access to the dormitory.

## 11. Environmental protection

The Supplier will actively and continuously work to adopt responsible measures to mitigate the negative impact that their operations have on the environment, including but not limited to striving to conduct business in a manner that minimises energy and water consumption as well as waste, minimises air and water pollution, optimises the use of natural resources, and maximises recycling. The Supplier is, at a minimum, required to comply with all national and applicable international legislation protecting the environment. The responsibility for environmental protection should be assigned to a senior management representative. Casall also encourages the implementation of environmental targets and an Environmental Management System (EMS) to document, measure, and track the relevant environmental indicators.

### 11.1 Environmental permits

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

### 11.2 Chemicals

Chemicals used must comply with Casall's chemical policy and, at minimum, comply with Casall's restricted substance list and national and international applicable laws. Chemical containers must be correctly labelled and safely stored. A material safety data sheet (MSDS) must be available in English and language(s) understandable by concerned employees in the workplace. The instructions in the MSDS must be followed.

### 11.2 Wastewater management

Water is a limited resource in many parts of the world and should be used as efficiently as possible. Any outgoing wastewater from wet processes must be processed before it is discharged. The processed wastewater quality must meet the requirements in local legislation or the BSR guidelines<sup>2</sup>, whichever is stricter.

## 12. Anti-corruption

Casall does not accept any act of corruption, extortion, or embezzlement, nor in any form of bribery - including but not limited to the promising, offering, giving, or accepting of any improper monetary or other incentive. The Supplier is expected to be mindful of and adhere to any anti-corruption and anti-bribery laws to which they and Casall are subject. No unlawful benefits are allowed (including donations and sponsoring) to public officials or other decision-makers, irrespective of whether they are made directly or via third parties like agents, consultants, or brokers.

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<sup>2</sup> Business for Social Responsibility (BSR) has coordinated a working group consisting of several companies that have developed an industry standard for wastewater quality.

## 13. Compliance & Transparency

### 13.1 Grievance mechanisms

The Supplier must develop and fully implement effective grievance mechanisms, such as a whistleblowing function that resolves internal industrial disputes and employee complaints and ensures effective, respectful, and transparent communication between employees, their representatives and management (ILO Conventions 87, 98 and 135). Grievance contact details must be posted within all facilities in a conspicuous, freely accessible area in language(s) understandable by all employees. However, employees must be able to express criticism and concerns about conditions in the workplace to their supervisor or management without fear of retribution, loss of employment or other reprisals.

### 13.2 Subcontracting and third party workforce

Subcontracting is only allowed with Casall's prior written approval. All sample and bulk production orders must be placed within facilities that have been pre-approved by Casall. The Supplier is responsible for informing their subcontractors about Casall's Code of Conduct and ensuring it is implemented in all facilities and workplaces related to Casall's products, including but not limited to production, packing or other services. The Supplier is required to continuously monitor approved subcontractors for social and environmental responsibility using standards that meet or exceed this Code of Conduct.

Workers employed through an agent or contractor are to be treated according to this Code of Conduct. The Supplier is required to monitor any third party that assists them in recruiting or hiring employees to ensure that, as a minimum, they act compliantly.

### 13.3 Monitoring

The Supplier agrees that representatives from Casall, as well as appointed third-party auditors, may visit facilities where products are being produced, packed or other service related to the product is performed, and conduct on-site inspections, at any time, whether it be announced or unannounced to ensure compliance with this Code of Conduct.

### 13.4 Compliance breach

Casall does not tolerate human and labour rights violations, breaches of law or other violations in this Code of Conduct. If Casall, or by Casall appointed third party, has determined that the Supplier is not living up to or has violated the standards of the Code of Conduct, we will require that the Suppliers create a corrective action plan. Casall, or by Casall appointed third party, will follow up on the plan's implementation and verify that violations have been resolved. If the Supplier is unwilling or fails to undertake sustainable improvements within the stipulated time frame, it may lead to reduced business and, ultimately, termination of the business relationship with Casall.



### 13.5 Supply chain transparency and traceability

The Supplier and Casall are equally responsible for ensuring social and environmental responsibility and the integrity of Casall's product content claims from the farm through the finished goods. To achieve this, transparency and traceability are needed through all levels of the supply chain.

Casall requests 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 involved in producing our products. We also encourage transmitting this Code of Conduct further down the production tiers, such as dyehouses, fabric and yarn mills, and farms.

The Supplier will, however, not use or obtain products, components, materials or services from sub-suppliers or other parties that the Supplier has knowledge or reason to believe would violate any of the terms in this Code of Conduct.