



**ceced**

**Brussels, November 2005**

## **Introduction**

CECED (The European Committee of Manufacturers of Domestic Equipment) represents around 280 companies belonging to the sector of household appliance industry which produces around 50 million large appliance units in Europe every year, with an annual turnover of about 40 billion Euro.

CECED members recognise and take on their responsibility to act as good corporate citizens.

The CECED Code of Conduct is a voluntary Code that responds to the desire of the CECED members to make an impact and promote fair and sustainable standards for working conditions, social compliance and environmental performance.

The CECED Code of Conduct thus sets up the basis for its members to continuously improve the performance in their production and supply facilities worldwide. Member companies are free to introduce stricter practices than those required in the Code.

CECED member companies are strongly encouraged to subscribe to the Code by notifying this in writing to the CECED General Secretariat. Member companies of national associations are also invited to subscribe to the Code. CECED will publish the names of all subscribing companies on the CECED website.

The principles enshrined in this Code apply directly to the entire signatory company. In addition, companies are expected to promote the application of the Code's principles throughout their supply chains.

It is the responsibility of the subscribing company to ensure its adherence to the principles of the Code of Conduct and to take any necessary measures to continuously improve its performance in accordance with the Code of Conduct.

All companies subscribing to the Code are required to report on a regular basis on the application of the principles of the Code of Conduct.

## **2. CECED Code of Conduct**

### **General requirements**

#### **Scope**

This Code is applicable to all locations and units within signatory member companies of CECED or signatory members of national associations. Suppliers to signatory companies are also expected to comply with the Code.

#### **Laws and regulations**

All signatory members shall comply with the applicable laws and regulations of those countries where they conduct business and expect their suppliers to do likewise.

#### **Communication**

It is the responsibility of each signatory to this Code to communicate the requirements to all employees and its suppliers.

### **Specific requirements**

#### **Forced labour**

There shall be no use of forced labour in any form. This includes forced prison labour, bonded labour, or otherwise.

#### **Child labour**

There shall be no use of child labour. Unless local law stipulates a higher age limit, no person younger than the age for completing compulsory education or younger than 15 (except as provided for by ILO convention No. 138) shall be employed. Workers under the age of 18 shall not perform hazardous work and may be restricted from night work with consideration given to educational needs.

#### **Harassment**

Employees shall not be subject to corporal punishment or to physical, sexual, psychological or verbal harassment or abuse.

#### **Compensation**

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

#### **Hours of work**

Unless national regulations require less 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). Workers shall be provided at least one day off in every seven-day period, except in extraordinary business circumstances.

#### **Non-discrimination**

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.

#### **Health and Safety**

Employers shall provide a safe and healthy working environment to prevent accidents and injury and, when applicable, safe and healthy residential facilities, with applicable local law as a minimum.

#### **Freedom of Association and Collective bargaining**

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

#### **Environment**

Companies will comply with environmental regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

### 3. Guidance on the provisions of the CECED Code of Conduct

This section is intended to provide the subscribers of the CECED Code of Conduct with examples of practices that are not in line with the CECED Code of Conduct (except for the list of health and safety provisions that a company should ensure). This is not an exhaustive list of such practices and is only intended to provide guidance.

#### **Forced labour**

- Imprisoned labour.
- Workers tied to the employer as a condition of fulfilling a debt to the employer or third party.
- Workers denied possibility to terminate their employment freely (after giving legal or reasonable notice).
- Excessive restrictions on the freedom of movement.
- Workers required to lodge deposits (e.g. identify documents, work permits, deposits of money, etc) with their employer effectively tying them to the workplace.

#### **Child labour**

- Workers below legal age or CECED Code minimum age requirement (ILO convention 138).
- Insufficient age verification or documentation procedures.
- Employer does not have or respect applicable provisions and rules (work conditions and hours) for workers below age 18.
- Children have access to production areas.

#### **Harassment**

- Verbal or psychological harassment or abuse.
- Employer practicing corporal punishment.

#### **Compensation**

- Workers not compensated in accordance with local laws.
- Workers do not receive all legally mandated benefits.
- Workers do not receive pay slips.
- Pay slips do not contain sufficient information.
- Compensation not calculated based on hours recorded.

#### **Hours of work**

- Working hours exceed maximum hours permitted by local laws.
- Working hours exceed maximum hours permitted by the CECED Code.
- Workers not provided with one day off in every seven-day period.
- No or insufficient time recording system.

#### **Non-discrimination**

- Workers and job applicants subjected to discriminatory practices.
- Female applicants required to undergo pregnancy testing or accept contraceptives as a condition for hiring or continued employment.

#### **Health and Safety**

Within these areas the company should ensure proper procedures and provision of equipment.

- Health & Safety Organisation.
- First aid.
- Fire safety.
- Evacuation of building.
- Personal protective equipment.
- Machine guards.
- Hazardous chemicals or substances.
- Hygiene.
- Ventilation, temperature, humidity and noise.
- Cleaning and housekeeping.

#### **Freedom of Association and Collective bargaining**

- Employer interfering with employees' legal right to form or join worker's organisations.
- Discrimination of members of worker's organisations.

#### **Environment**

- Violation of local environmental requirements.
- Inappropriate handling of emissions, industrial or product waste, chemicals etc.

#### **4. Communication requirements**

The signatory company shall report about the practical implementation of the principles of the Code and the progress made, and this at least on a yearly basis.

- The preferred way of communication is the internet, and links to the company's corporate pages will be placed on CECED's website.
- The signatory company shall inform CECED about the factual progress made. This "progress report" to CECED is based on a predefined template (see Appendix 2.).
- The "progress report" may be integrated in the company's sustainability or annual report.

#### **5. Implementation**

Subscribing to the Code of Conduct means that the company adheres to the principles as set out in the Code.

- The signatory company is free to introduce stricter practices than those agreed in the Code of Conduct.
- The signatory company shall communicate the principles of the Code of Conduct to its suppliers and encourage suppliers to adhere to these principles. The company shall also advise its suppliers to pass on the principles of the Code of Conduct throughout the entire supply chain.

#### **6. Consequences in case of non-compliance**

A company will be considered as non-compliant with the Code requirements if it does not submit a "progress report" within one year after signing the Code or within one year after the last submitted progress report.

A company that fails to submit a "progress report" will be regarded as inactive and its name will be removed from CECED's website until the company has submitted its next "progress report". In such cases CECED reserves itself the right to remove the name of the company from the list of signatories to the CECED Code of Conduct.

# Appendices

## 1. Declaration

### Declaration Regarding Compliance with the CECED Code of Conduct

We, the undersigned hereby confirm:

- That we have received and taken due note of the CECED Code of Conduct.
- That we will adhere to the principles of the CECED Code of Conduct in their entirety.
- That we will inform all of our direct suppliers of the principles of the CECED Code of Conduct, and we will encourage them to adhere to the principles of the CECED Code of Conduct.

Furthermore:

1. We agree to submit once per year a “progress report” (see Appendix 2) to CECED General Secretariat on actions taken to implement the principles of the CECED Code of Conduct in the company and our supply chain. This report may be published on the CECED’s website.
2. We accept our responsibility to ensure and verify adherence with the principles of the CECED Code of Conduct in our company, and to continuously improve our performance with regard to the Code.

Date .....

Name of company .....

Signature .....

Name of representative .....

Function .....

This document must be signed by a duly authorised representative of the company and returned to CECED General Secretariat.

**2. “Progress report” template:**

This template outlines the information your company should provide when communicating progress on implementing the CECED Code of Conduct.

<b>Company name:</b>
<b>Title of the submission (70 characters limit)</b>  <i>Please insert the name of the document used to communicate progress and the period covered (e.g. Sustainability Report 2004 or Annual Report 2004).</i>
<b>What actions has your company taken to implement the principles of the CECED Code of Conduct inside its business and supply chain? How did you communicate your efforts to other stakeholders? (2500 characters limit)</b>  <i>Please describe the format used to communicate progress (e.g. annual report, sustainability report; website; company bulletins etc); the main corporate responsibility issues tackled; the actions taken and their relation with the principles in the CECED Code of Conduct (please provide the most relevant page numbers in the report).</i>  <i>In the event your company does not communicate publicly and annually through a sustainability or a financial report you should provide, under each principle of the CECED Code of Conduct a description of actions taken and processes used to implement the principles inside the company and the supply chain.</i>
<b>What was the outcome/result of efforts to implement the principles of the CECED Code of Conduct compared to the previous fiscal year? What are your plans for future efforts to implement the principles of the CECED Code of Conduct? (2500 characters limit)</b>
<b>Countries covered in the communication on progress (global is also an option):</b>
<b>Contact information of company representative:</b> <b>Name:</b> <b>Email:</b>
<b>Direct URL links to the company communication on progress (e.g. annual report/CSR report, or other communication):</b>

**This Code has been promoted by:**



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