

A signed version of this factory standard is available for each LTP Group factory



LTP Group Factory Standard



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1 Introduction

LTP Group is an international organization with ten factories in five different countries and more than 2,000 employees. It is people and their work that make LTP Group what it is. The employees of LTP are key to the company's success. Their performance, well-being and knowledge significantly impact the work environment, the customer and business partner satisfaction, and in the end the overall LTP Group performance.

LTP is committed to driving sustainable manufacturing and following a common standard for all manufacturing sites. LTP is not tolerating any kind of discrimination; all workers have equal opportunities, and all workers are free to join workers organizations.

The main requirements displayed in this document are valid for each LTP factory and monitored by internal audits. The factories Managing Directors have the obligation to report to the Global Sustainability Manager local updates or incidents which require the update or addition of requirements in this factory standard.

2 Who is subject to LTP Group factory standard

All LTP Group factories shall follow this factory standard and meet or exceed all requirements listed in this document. Even when the requirements set higher standards than the national law of the country in which the factory is located.

LTP Group suppliers and production partners are not subject to this factory standard. They, however, must as a minimum comply with LTP Group Code of Conduct for responsible sourcing, and comply to any agreed requirements as set forward in the agreements between any affiliate in LTP Group and the suppliers and/or production partners.

3 Requirements for all LTP factories

3.1 General workplace conditions and facilities

- All working stations must at any given point in time when used during working hours be adequate and sufficient with regard to body positioning;
- Clean and safe working space: the workplace, equipment, devices, and systems are maintained, in working order and in good repair;
- Working place temperature, humidity, noise, air moving velocity at the workplaces comply with national law. Adequate measurement meters (temperature, humidity etc.) must be provided;
- Lighting at working place and other passing places comply with national law; Emergency lighting must be provided where lighting failure would cause danger.
- Clean and fresh air comply with national law;



- Hygienic facilities shall be provided for all workers;
 - Toilets. Provide suitable and sufficient sanitary conveniences at readily accessible places.
 - Washing. Provide suitable and sufficient washing facilities at readily accessible places.
 - Alcohol Sanitizer. Provide sufficient alcohol sanitizers at readily accessible places
- Restrooms, eating and resting places for workers:
 - Provide adequate free of charge wholesome drinking water for all workers: taped or bottled;
 - Provide free of charge tea/coffee
 - Provide suitable and sufficient canteen and rest areas. The size of the canteen is adequate for the number of employees, and must contain:
 - Tables
 - Chairs
 - Microwave
 - Fridge
 - Provide sufficient and suitable changing room with hygienic toilets and showers – each worker using changing room facilities shall have a locker or other place for safe storage of their personal belongings;

3.2 Injuries and accidents

- As part of the on-boarding process it is mandatory to introduce any worker to any and all safety instructions;
- It is mandatory to re-train if:
 - working procedures are changed;
 - a situation close to accident is identified
 - applicable law is changed
- It is mandatory to provide relevant training and machinery operating instructions before starting work at the site;
- Special gloves, air plugs, goggles etc. are provided if required according to operating instructions at working place;
- Special gloves, air plugs, goggles etc. shall be used during work in positions which require it;
- All dangerous spaces and equipment shall be marked with red/yellow lines or signs;
- Working place risk assessment evaluation shall be completed at least once per year and immediately in case of severe accident;
- Workers shall not intentionally cause danger to each other while working;

3.3 First aid

- At any time during working hours whether in one or more shifts, at least one first aider (person who has passed first aid course), or more if required by National law, shall be present ;



- First aid medical kits shall be in each department or room;
- First aid medical kit shall be filled and maintained according to national law;
- First aid medical kit shall be easy reachable and free passage be guaranteed;

3.4 Fire safety

- Fire safety requirements shall at any given point in time comply with National law
- Firefighting equipment – maintain and easy to reach;
- Firefighting equipment shall have valid expiration date;
- Adequate number of fire extinguishers in each room;
- Firefighting equipment shall be visible from each factory place and marked with yellow lines and signs or according to national law;
- Evacuation doors shall always be open/ with key in it and key shall be kept behind a safety glass nearby the evacuation door – Requirements in relation to evacuation doors shall be in compliance with National law;
- Evacuation plans on the walls or as required by the national law;
- Evacuation signs shall at all times be visible from every workstation in the factory place;
- Evacuation passages shall always be kept free, without obstacles;
- Installation of adequate evacuation alarms in all departments;
- Fire alarms shall be tested as a minimum once per year with technical verification by a third party professional;
- Every year fire drills shall be organized or more often if required by the national law;

3.5 Electricity safety

- Free passage to electrical panels shall be kept and marked with yellow lines;
- No open electrical vires must be left at the site - which can cause danger;
- Any need for changes or fixing of electrical installations shall be performed by a professional. Workers are not allowed to fix electrical problems by themselves;

3.6 Occupational health

- In case of physically demanding tasks, including manual material handling, heavy lifting, prolonged standing, it shall be analyzed, with the purpose of protecting the health of the worker, and instrumental help, if possible, shall be provided;



- At any LTP site children below the age of 18 are not employed for hazardous work or work that is incoherent with the child's personal development (health, physical, mental, spiritual, moral and/or social development);
- Workers can only be allowed to come to work if:
 - They have no signs of illness
 - Are completely sober
 - Are not under influence or use of narcotic drugs;

3.7 Chemicals

- Each site shall have at any given point in time an updated list of chemicals in use;
- Places for use of chemicals shall always have safety data sheets provided and stored nearby;
- All chemicals shall be stored in storage place according to the national requirements;
- Any worker, working with chemicals shall get instructions and behave according to the instructions; in case of misbehaving workers must pass additional training;
- Any worker, working with chemicals shall wear protection mask, goggles, overalls unless chemical description to not require it;
- Each site shall have eye washing facility nearby any chemical working area;
- Food and drinks are strongly forbidden while working with chemicals;

3.8 Storage

- All shelves must be installed securely to ensure safe storage places – workers shall wear helmets if any risk of falling items;
- Stored items shall be below any source of lighting;
- Access to storage area shall be granted only to trained storage personal;

3.9 Environment and recycling

- Each site shall comply to the corporate sustainability strategy and defined goals and will be accountable to reach them;
- All employees at any site shall be informed about LTP Groups strategic sustainability prioritizations including but not limited to, health & safety, recycling/waste and environmental goals and shall be promoted to join it's implementation;
- Each site shall minimize its waste amount as much as possible;
- All materials which can be used repeatedly shall be used;



- All materials which is possible to recycle shall be separated and recycled (some fabric type, paper, plastic, glass, metal, , etc.);
- Hazardous waste shall be handed over to professional waste handlers or according to the national law;
- Sites shall make as low impact to environment as possible;

3.10 Compensation, holidays, and leave

- Workers get adequate, competitive salary – at least minimum wage according to countries standards;
- Workers receive information about how their salary is calculated;
- Workers receive paid vacations each year according to national law;
- Workers are compensated by double salary or get extra day of if they are required to work during holidays/national vacations day;
- Working hours comply with national law and cannot be unreasonable. Except in case of emergency or exceptional situations, a work week shall not be more than 48 h per week or according to the national law;
- All workers have breaks during their working day;
- Workers cannot be dismissed due to parental leave;

3.11 Anti-corruption and bribery

LTP is committed under all circumstances to fair, harmless and mutually beneficial business relationships with customers, suppliers, partners, competitors, etc. To achieve this LTP requires all the managers and employees to act responsibly according to LTP Ethical Policy and Principles and put in place the most suitable behavior, choices and actions to achieve above stated in each single relationship.

LTP employees must comply with laws, regulations, and the code of conduct and shall never tolerate any form of corruption, fraud, and conflict of interest from themselves, colleagues, partners, and suppliers. Concerning the conflict of interest in LTP, each manager and employee shall be aware of the possibility that their private interest may result in conflicts with LTP's interests. The managers and employees shall be aware of, and avoid, potential situations where their private interests, including personal, social, and financial interests, may conflict with the performance of their responsibilities to LTP. Once again, as above mentioned, LTP's employees shall not use LTPs assets, including property or confidential information, for their personal gain.

LTP is committed to conduct fair competition and furthermore is open to consider proactive engagement with its competitors as a positive element when aims to make the whole industry improve towards a better future for all, the humankind and the environment, therefore each employee is invited to act accordingly.



With regards specifically to suppliers, LTP's employees are committed to regularly assessing the Group suppliers and subcontractors to ensure that they comply with the Code of Conduct and the LTP Ethical Policy and Principles.

It is fundamental to mention that LTP commits to its suppliers and subcontractors in line with the requirements to respect human rights as published by the United Nations and stated in the United Nations Guiding Principles on Business and Human Rights (UNGP).

Main ethical issues:

- Corruption, facilitation payments
- Gifts, benefits in kind, donation and sponsorship
- Conflicts of interest
- Fraud
- Free competition
- Commitments by our suppliers and subcontractors

LTP do not tolerate any form of extortion and/or bribery to or from workers or organizations. This includes improper offers for payment in order to influence any form of business negotiation that includes workers, customers, suppliers or any individual working with or on behalf of LTP group.

All employees having a managerial position or are employed in functions related to Sales, Marketing, Purchase, IT and Finance shall have compliance training once per year, and all new employees employed in such functions, shall have compliance training within first month of employment.

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4 Appendix: UNGCPs and ILO Conventions

According to the purpose of ensuring an ethical and fair business of all, LTP follows the international guidelines and principles concerning the private sector's role to build a better world. LTP operates following the ILO Conventions and adheres to the UN Global Compact Principles. LTP regulates the business activities focused on continuous improvement and the opportunity to make the difference day by day, putting in practice relevant actions concerning the economic and financial goals and environmental and social performances.

The 10 Principles of UNGC are based on internationally adopted declarations and conventions in 4 areas: Human rights, Labor standards, Environment and Anti-corruption:

HUMAN RIGHTS

- Principle 1: Businesses must support and respect the protection of internationally proclaimed human rights
- Principle 2: Make sure that they are not complicit in human rights abuses

LABOUR STANDARDS

- Principle 3: Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Elimination of all forms of forced and compulsory labor
- Principle 5: Effective abolition of child labor
- Principle 6: Elimination of discrimination in respect of employment and occupation

ENVIRONMENT

- Principle 7: Businesses must support a precautionary approach to environmental challenges
- Principle 8: Undertake initiatives to promote greater environmental responsibility
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

- Principle 10: Businesses must work against corruption in all its forms, including extortion and bribery

LTP respects the individual's **human rights**, inspired by the International Labor Standards (ILS) referred to in the fundamental conventions of the International Labor Organization (ILO).

LTP respects the fundamental and human rights of the individual and in all its actions is inspired by the International Labor Standards (ILS) referred to in the fundamental conventions of the International Labor Organization (ILO); by way of example, mention is made of respect for the **right to freedom of association** and the right to collective bargaining (ILO Conventions nos. 87, 98, 135, 154), **freedom in the choice of employment** (ILO Conventions nos. 29 and 105 on the question of forced labor), the **exclusion of all forms of child labor** at production locations (ILO Conventions nos. 138 and 182), the **exclusion of all forms of discrimination, violence or abuse in the workplace** (ILO Conventions nos. 100, 111, 183), the definition of **minimum standards for health and safety at work** (ILO Convention no. 155), the definition of the relationship between employer and employees on the basis of contracts approved by the various national legal systems.

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5 Binding signature of the LTP factory Managing Director

As an LTP factory Managing Director, I hereby agree to comply with this Factory Standard and its related requirements.

Acknowledged and approved

Place _____

Date _____

LTP Business Division (garment or furniture) _____

Factory country and city _____

Signature _____