

S.OLIVER GROUP

Child Labour Policy

Despite the fact that child labour is prohibited by all recognised international standards, the s.Oliver Group is aware that child labour is a continued challenge in international supply chains. The s.Oliver Group is determined not to tolerate child labour under any circumstances and works continuously towards the prevention, mitigation, remediation and ultimately the elimination of child labour in its supply chain.

The s.Oliver Group will review and update its policy regularly to ensure compliance with international standards, national laws and regulations. This policy was drafted in consultation with the Save the Children and serves as guidance and precautionary measure to engage in the activities for the prevention of child labour within our supply chain.

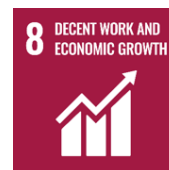
Background

The International Labour Organization (ILO) and the United Nations Children's Fund (UNICEF) have found a worrying increase in the number of children involved in labour in their Child Labour Global Estimates 2020. The report shows that 160 million children (63 million girls and 97 million boys) worldwide are engaged in child labour. In parallel, due to COVID-19, there is an alarming tendency that more children could be pushed into child labour in 2022 and beyond. Without mitigating measures, child labour will not decrease. Child labour is unfortunately common in the apparel industry, but the exact number is difficult to estimate, as child labour is often hidden deeper in the supply chain. As identified by UNICEF in its report on Mapping Child Labour Risks in Global Supply Chains 2020, the following child labour risks are possible in apparel supply chains:

Tier 4 Cotton harvest	Tier 3 Raw material processing	Tier 2 Production of materials	Tier 1 Final product manufacturing
Wage advances paid to parents puts pressure on children to work.	<ul style="list-style-type: none">Children may be trafficked into labour;parents may receive wages directly instead of children.	<ul style="list-style-type: none">Children may be forced to work overtime, with restricted movementPayment may go to the parents and not the children.Children earn less than legal wages and work overnight shifts.	Children may work long hours and be paid half the minimum wage.

The UN Agenda 2030 with its sustainable development goal "Decent work" (SDG 8) aims to prevent and mitigate child labour. The s.Oliver Group recognises its responsibility to take action to eliminate child labour throughout its supply chain and to contribute to the sustainable development goals according to the UN Guiding Principles on Business and Human Rights, especially to:

- 8.7 securing the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms



Terms and Definitions

Child: according to the UN Convention on the Rights of The Child, a child means every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier.

Child Labour: according to the ILO, child labour refers to work that:

- Is mentally, physically, socially, or morally dangerous and harmful to children; and
- Interferes with their schooling by:
 - depriving them of the opportunity to attend school
 - obliging them to leave school prematurely
 - requiring them to try to combine school attendance with excessively long and heavy work

Hazardous work/hazardous child labour: is the work, that by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. Normally each state will have a list of hazardous work that young workers (above minimum age but under 18) should avoid. Hazardous work is one of the worst forms of child labour according to the Article 3 (d) of the ILO Worst Forms of Child Labour Convention No. 182.

Light work: per ILO Minimum Age Convention No. 138, "light work" refers to work that is:

- Not likely to threaten their health or development
- In line with child rights, the work should not negatively impact the development and education of the child, it should not compromise their attendance at school or time dedicated to homework, playtime and sleeping time, their participation in vocational orientation or training programmes approved by the competent authority
- Not taking place on a continuous basis (e.g. only after school or during holidays) or under exploitive conditions

Each country may have specific regulations related to light work.

Living wage: according to the [Anker Methodology](#), living wage is the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for

the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.

Young worker: refer to children who have reached the minimum legal working age but are still under eighteen years old.

The s.Oliver Group's Standards of Admission to Employment and Work

a. Standard of Admission to Employment for Formal Factory Setting

In line with s.Oliver's Code of Conduct, no person shall be employed at an age younger than 15 or younger than the age for completing compulsory education or the local legal working age if this age is higher than 15 in a country where the s.Oliver Group has operations. No person shall be engaged in hazardous work at an age younger than 18 years old.

b. Standard of Admission to Work for Children above Light Work Age (not applicable in a factory setting)

In line with ILO standards, in countries where the age for light work and the type of light work are specified in national legislations, the s.Oliver Group permits the work of persons 13 to 15 years (12 to 14 years where consistent with ILO and national laws) to do some light work in homework settings in their own household for their parents or legal guardians, if the following criteria are met:

- Children should work no more than 14 hours a week
- Children should only conduct the type of light work specified in national legislations
- The work task or work condition is not likely to be harmful to the children's health or development
- The work should not negatively affect their attendance at school, their participation in vocational orientation or training programmes approved by a competent authority or their capacity to benefit from the lessons received

c. Standard of Admission to Employment for Young Workers

The s.Oliver Group respects young workers' rights to work and their rights at work. The s.Oliver Group's suppliers shall not exclude young workers who have reached the legal minimum working age based solely on the fact that they are under 18, but welcomes initiatives from suppliers to offer decent work opportunities to young workers. When young workers are hired, all employers must comply with all legal requirements to ensure young workers are not subjected to harm.

The s.Oliver Group's Child Labour Preventive Strategy

a. Before Onboarding

Before onboarding a supplier, the s.Oliver Group ensures that the supplier has had no practice of child labour in the past that has not been properly remediated following the s.Oliver Group's standards and analysis of the child labour practice in the production region.

Furthermore, the s.Oliver Group assesses the risks related to the style and design of the product to discover potential risks of the use of child labour. This may include products with buttons, glitter and other details that are labour intensive and where, in case of the absence of suitable machines, child labour may tend to be used instead. If the s.Oliver Group deems the risk of child labour to be too high with no immediate solutions or alternatives, it might decide to refrain from producing certain styles or designs.

b. Robust Age Verification

The suppliers must ensure that a robust and transparent human resource management system is in place, including the proper hiring procedures and policies that are in line with international and national legislations (whichever is higher). The hiring procedures and policies should explicitly define the minimum age for general work and hazardous work and provide details of the age verification process. This shall serve as the basis for hiring decisions at all levels.

We expect our business partners to establish a robust age verification mechanism as part of the recruitment process including in case of recruitment via external agency, targeting all workers, especially migrant, temporary or seasonal workers, where higher risks of underage workers exist. The employers shall thoroughly review and verify the authentication of the documents related to the age of the applicants, and all relevant documents must meet the minimum requirement for documented evidence according to national laws. In-person interviews of all applicants are mandatory and shall not in any way be degrading or disrespectful to the individuals. Suppliers shall ensure that the employee records, such as employment contracts and age documents, are kept up to date and in good condition at all production facilities.

The suppliers must verify the existence of such proper hiring systems throughout its own supply chain. Where the suppliers are not in direct control of the recruitment procedure, it is suggested that the suppliers conduct regular monitoring to check the implementation of age verification procedures at the sites where workers are employed.

c. Protection of Young Workers

In line with ILO Convention 182, children under 18 years old shall be prohibited to conduct hazardous work or work in hazardous conditions (e.g. moving heavy objects, exposure to extreme temperature and noise, and handling dangerous machinery) that could pose a danger to their health, safety, morals and development and that are specified in national legislations.

Additionally, when young workers are hired, the employers must comply with all legal requirements and establish a special protection mechanism. This mechanism should include the standards specified in the ILO Recommendation No. 146, such as:

- Fair remuneration and equal pay for equal work
- The prohibition of overtime, unless otherwise provided by national laws, by which the maximum working hours including overtime is within 40 hours/week
- Minimum consecutive period of 12 hours' night rest, and of customary weekly rest days
- An annual holiday with pay of at least four weeks and, in any case, not shorter than that granted to adults
- Coverage by social security schemes, including employment injury, medical care and sickness benefit schemes, whatever the conditions of employment or work may be
- The maintenance of satisfactory standards of safety and health and appropriate instruction and supervision

Employers shall maintain an up-to-date list of all young workers, identifying a list of appropriate job positions and responsibilities for them and not engaging them in night shifts.

d. The s.Oliver Group's Monitoring Practice

The s.Oliver Group's social teams are regularly auditing the Tier 1 and 2 suppliers to determine the compliance with social standards. The s.Oliver Group is engaged to set up control mechanisms at the Tier 3 and 4 suppliers.

The s.Oliver Group continues to monitor regional developments and analyses the risk of child labour further down in the supply chain. The s.Oliver Group also trains its own employees in relation to the values and international labour standards and child labour practices, to raise awareness of misconduct deeper in the supply chain. The s.Oliver Group is engaged to conduct similar training courses with suppliers.

e. Living Wage & Social Security

Poverty and economic insufficiency are among the main drivers of child labour. Children from poor families or poor regions are more often found working during their childhood, as parents are more likely to rely on their children's income to support the family. The s.Oliver Group encourages suppliers to

work towards achieving a living wage and living income in the supply chains. Where there is no local legal minimum wage or where the legal minimum wage is knowingly insufficient to cover living costs, the s.Oliver Group strives to work with the suppliers to achieve payment levels that allow workers to afford a minimum decent standard of living.

The s.Oliver Group requires all its supply chain partners to pay all legal stipulated social insurance benefits to its workers based on their actual wage level. Where no social insurance schemes are legally required or are where they are known to be insufficient, the s.Oliver Group strives to work with the suppliers to support social security schemes that give supply chain workers a safety net and make the supply chain and its workers more resilient.

The s.Oliver Group's Remedy Action

If any form of child labour is found to be practiced in contravention of the above-mentioned measures, the s.Oliver Group will investigate the case and decide on a joint action plan with a timeline for ending and minimising the violation without undue delay.

The s.Oliver Group expects its suppliers to be transparent and have effective remediation procedures in place in the event of finding children in employment who are under the legal minimum working age or who are above the minimum age but under 18 and conducting hazardous work. Whenever a suspected child labour case is discovered, the s.Oliver Group will take steps to remediate the situation and to prevent such incidents from happening again in the future. Transparent communication is key to protecting the best interest of the concerned child.

The s.Oliver Group expects its suppliers to act with the overall best interest of the children in mind, and within the requirements of relevant laws. To ensure a fair and independent remediation for the concerned child, if required, a third-party children rights organisation will be included in the remediation process. The suppliers will be responsible for making the remediation case happen. However, they should not undertake any form of remediation without previous discussions with the s.Oliver Group and if required, the children rights organisation.

When a child below the minimum working age is found working, the general action plan includes but is not limited to:

- Make an initial assessment to make sure the child is safe. If the child is on the production floor or in immediate danger, they should be escorted away from the danger zone or immediately stop the dangerous or hazardous work they are engaged in
- Immediately record the names, ages and contact details of the child concerned, and contact his/her parents or legal guardians to understand the reason of employment
- When possible, together with the children's parents, legal guardians or a child rights organisation, the children should be led to a safe place (e.g. home, dormitory, community centre)

- Ensure that the child has been paid for the time worked in the factory, then immediately terminate the employment relationship between the supplier and child concerned
- Identify a suitable accommodation facility and transportation according to the child's needs and circumstances, if needed
- As a remediation follow-up, it is necessary to arrange a consultation with a local children rights organisation to determine the next steps

Preferably with the children rights organisation, the following steps should be taken:

- Identify a proper school/training facility matching the child's needs and perspective and support the tuition fee
- Investigate the root cause(s) of the child labour occurrence
- Reach an agreement about financing the remediation programme together with the supplier. Ideally, the penalty agreed upon in the production and license agreement should be used. Ideally, the financial plan should include: education costs, expenses for housing, travel expenses, ongoing payment of an appropriate scholarship to compensate family for loss of income. The remediation costs should be guaranteed until the child has finished compulsory schooling and reaches the national minimum working age, whichever is higher
- Offer employment opportunities for the child once he/she reached legal working age
- Support the medical treatment of the child, if needed
- Set up an agreement between the parents, supplier and the s.Oliver Group and support its implementation
- Monitor the remediation programme, including conducting home visits and tracking the child's progress at the school. Evaluate whether an adult family member could be employed by the supplier.

When a young worker is found doing hazardous work or working in hazardous conditions, the general action plan includes but is not limited to:

- Remove the young workers from any hazardous work or source of hazard immediately
- Arrange a safe place for the children
- If possible, have a discussion with the factory management and the young workers about re-assigning them to age-appropriate, non-hazardous work positions, without reducing their salary or benefits

In addition to the remedial actions with the concerned individuals, the concerned supplier shall also identify gaps in the hiring or management process and implement a corrective action plan within 30 working days, which shall include training on child rights and child labour prevention measures.

The s.Oliver Group will hold the suppliers responsible to urge, monitor and support their production facilities to conduct and fulfil their obligations for remediation as requested in this policy, including

the remediation process at their manufacturing or other sub-contractor units. If the concerned supplier and factory fails to follow the aforesaid measures within 30 working days of identifying the child labour case, a warning letter will be issued, giving the business partner an additional 10 days to start the implementation. The s.Oliver Group will put on hold any order with the supplier and their factories until all parties reach an agreement on the remediation plan and until all remediation costs are settled. The s.Oliver Group reserves the right to extraordinarily terminate the business relationship with the supplier if they fail to act in a manner consistent with this policy.

Anyone who observes that the child labour policy is violated may contact us in any language using any means of communication, including email to the following email address: complaints@fairwear.org. Hints can also be submitted via the s.Oliver Group complaints mechanism <https://soliver-group.hintbox.eu>.

Legal Notice:

December 2022
Published by s.Oliver Group
Global Sustainability & Supplier Relationship Management
s.Oliver-Straße 1
97228 Rottendorf
Team.Sustainability@de.soliver.com