

S.OLIVER GROUP

Forced labour Policy

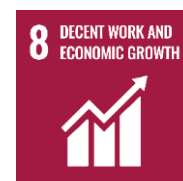
The s.Oliver Group will not tolerate forced labour as prohibited by international recognised standards in its production sites under any circumstances and will review and update its policy regularly to ensure compliance with the international standards, national laws and regulations. This policy serves as guidance and precautionary measure to engage in the activities for the prevention of forced labour within the s.Oliver Group's supply chain.

Background

[The Global Estimates of Modern Slavery](#) in its report on 2017 indicated that 24.9 million people around the world are trapped in forced labour. According to [reports](#) from the International Justice Mission and the United Nations Office on Drugs and Crime 2021, there is an increase in human trafficking and forced labour due to Covid-19 and the unstable economic situation.

The UN Agenda 2030 with its sustainable development [goals](#) "Decent work" (SDG 8) and "Reduced Inequities" (SDG 10) aims to prevent and mitigate forced labour and reduce inequalities among and within countries. The s.Oliver Group recognizes its responsibility to take action to eliminate forced 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:

8.5 By 2030 achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



8.8 Protecting labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.



According to the ILO, the agriculture, garment, and textile industries are at risk of forced labour and may include vulnerable workers such as informal enterprise workers, indigenous and tribal people, low caste groups, migrant and young workers.

As identified by the [University of Sheffield and the Worker Rights Consortium](#) in The Unequal Impacts of Covid-19 on Global Garment Supply Chains 2021 following forced labour risks are possible:

- Workers face low wages and severe cuts in income
- Workers face often verbal and physical abuse, threats and/or intimidation; false promises from employers; gender-based and sexual harassment; violations of workers' freedom of association rights; and limitations on movement, including restricted access to the toilet or water.

Terms and Definitions

According to ILO Convention No. 29, "Forced or Compulsory Labour" is defined as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

This definition includes the most common forms of forced or compulsory labour such as slavery, misuse of prison work, bonded labour, national as well as international human trafficking and, according to ILO Convention No. 105, labour as a means of political coercion or education or as a punishment for holding or expressing political views, as a means of economic development or discipline, as a means of punishment for having participated in strikes and as a means of racial, social, national or religious discrimination.

Slavery: As defined by the Slavery Convention from 1926, slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised.

Bonded labour: As defined by the Supplementary Convention on the Abolition of Slavery from 1956 bonded labour means the status or condition arising from a pledge by a debtor of his personal services or of those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined. In this case, an employee takes out a loan or wage advance from an employer, for which the employee pledges his or her labour.

Misuse of prison work: Work in prison is not considered to be forced labour under the general norms of international law. However, if the work is performed by the prisoner involuntarily and without proper supervision by the public authorities or for the benefit of a private person, the work may be classified as forced labour.

Human trafficking: According to the United Nations Convention against Transnational Organized Crime, human trafficking is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of

payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation. This is usually related to the rights of migrants, where the earnings of migrant workers and other valuables are cut.

The following indicators may point on the existence of the forced labour:

- Abuse of vulnerability
- Deception
- Restriction of movement
- Isolation
- Physical and sexual violence
- Intimidation and threats
- Debt bondage
- Abusive working and living conditions
- Excessive overtime
- Withholding of wages
- Retention of identity documents

The s.Oliver Group's Preventive Strategy

Before onboarding the Manufacturer, the s.Oliver Group ensures that the supplier has no practice of forced labour in the past and analyses the forced labour practices in the production region.

The s.Oliver Group's Code of Conduct clearly outlines that no goods and their components may be produced or purchased from sources where workers have to perform forced, bonded or involuntary work. Moreover, the Code of Conduct highlights that any human trafficking for work or any other purposes is prohibited. Manufacturers must ensure that an appropriate management system and adequate hiring procedures are in place to prevent any kind of forced labour or human trafficking. Moreover, the Manufacturer must verify the existence of similar systems in their own supply chain.

The s.Oliver Group's social teams are regularly auditing the manufactures and Tier 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 Tier 4 suppliers.

Bearing in mind the widespread forced labour risk by the Tier 4 suppliers in Turkmenistan and Xinjiang Region (XUAR (Xinjiang Uyghur Autonomous Region)) in China, the s.Oliver Group has banned the use of cotton from Turkmenistan in its products since 2010 and the use of cotton from XUAR in its products since 2021, as well as prohibited the sourcing of cotton from mentioned regions throughout its supply chain. The manufacturers must ensure that cotton from Turkmenistan/XUAR is not used at any stage of the production process, regardless of whether this may be in the form of pure cotton, a part of mixed cotton, a part of mélanged yarn or in an already processed form, i.e., a fabric or garment.

The s.Oliver Group continues to monitor regional developments and analyses the risk of forced 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 labour practices to raise awareness of misconduct deeper in the supply chain. The s. Oliver Group is engaged to conduct similar training courses with international partners at the suppliers.

The s. Oliver Group's Remedy Action

If any instances of forced labour or human trafficking are found to be the case in contravention of the above-mentioned measures, the s.Oliver Group will investigate the case and decide on a joint concept plan with a timeline for ending and minimising the violation without undue delay.

Regardless of any measures taken and depending on the individual circumstances and willingness to cooperate, the s.Oliver Group reserves the right to extraordinarily terminate any business relationship due to a fundamental breach of trust.

The general concept plan includes but is not limited to:

- Immediate termination of forced labour.
- Identification of the root cause by the manufacturer and an implementation of a prevention management system.
- Provision of ongoing employment of respective worker(s); proper remuneration and benefits for the past.
- Proper severance payments and cost of home travel in case worker(s) want to leave.
- Medical support, if necessary.
- Compensation for personal hardship, if applicable.
- Define and agree on a financial plan for the remediation programme
- Implement measures to monitor and to fulfil the requirements of the remediation and mitigation programme together with all involved parties, e.g. third parties and experts. Ideally, those measures should include:
 - Monitoring and checking the situation of respective worker(s), e.g. current employment terms, remuneration, etc.
 - Conducting further factory visits to verify the status quo.

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. If the concerned supplier and factory fails to follow the aforesaid measures within 30 working days of identifying the forced 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 business partner and their factory until all parties reach an agreement on the remediation plan and until all remediation costs are settled. The s.Oliver Group will terminate the business relationship with the concerned supplier who fails to act in a manner consistent with this policy, and/or when the concerned business partner is unwilling to undertake the measures needed to fulfil any of the obligations set out in and/or inherent to this policy.

Anyone who observes that this 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 grievance procedure <https://soliver-group.hintbox.eu>.

Legal Notice:

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