

CHILD LABOUR POLICY

INTRODUCTION

Hunkemöller do not accept child labour at any direct manufacturing locations or in its supply chain. It is essential for Hunkemöller that children are not put at risk or deprived of an education or childhood. This policy describes Hunkemöller's zero tolerance approach, the requirements for business partners and remediation process in the event of child labour allocation.

Hunkemöller is committed to strictly comply with all applicable laws, conventions and regulations. Additionally, Hunkemöller adheres to global guidance provided by the following conventions:

- International Labour Organisation Convention 138 and 182;
- International Labour Organisation Recommendations 146 and 190;
- International Labour Organisation – International Organisation for Child Labour Guidance Tool for Business;
- United Nations Guiding Principles on Business and Human Rights;
- United Nations Conventions on the rights of the Child, the Children's rights and business principle
- Bangladeshi Labour Act 2006 / National Child Labour Elimination Policy 2010

All cases of Child Labour including children being victim of situations such as but not limited to cases of forced, indentured or trafficked labour must be reported to Hunkemöller immediately.

SCOPE

The standards in this policy apply to all suppliers, their subcontractors and other business partners, hereafter collectively referred to as "Business partners", who do business with Hunkemöller. Hunkemöller requires all Business partners to be informed of the standards set in this policy and ensure that all the workers meet the applicable standards. We recognize that child labour may also occur within the supply chain and require our Business Partners to have a system in place to ensure that child labour is not employed by any partner/sub-contractor and to understand the steps they need to take to protect children and to ensure compliance with the requirements set out in this policy. When applicable and child labour is discovered, a remediation process as described in this policy will have to take place.

Hunkemöller requires all involved with the design, development and manufacturing of products to be informed of the standards set in this policy and ensure that all goods are produced in manufacturing locations by workers who meet the applicable standards

including all laws, rules and regulations. The guidance in this policy is based on global industry standards and regulations.

DEFINITIONS

Child worker is a child who is not legally entitled to work, i.e. below the minimum age of the completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO Convention 138 apply.

Child labour is defined by the ILO as work that deprives children of their childhood, their potential and their dignity, which is harmful to physical and mental development. Child labour denies children from the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work.

Hazardous work is any work which, by its nature or the circumstances in which it is carried out, is likely to harm the development, health, safety or morals of children.

Young worker is a young person who is legally entitled to work i.e. above the minimum age of employment of 15 and below the age of 18.

Light work is work that children can do as long as it does not threaten their health and safety, or hinder their education or vocational training (generally, non-hazardous work for fewer than 14 hours per week). It should only be performed by children aged 15 or over when permitted by local law.

WORKING CONDITIONS

Children must not be present at production sites at any time. This also includes children of workers in the factory who must stay in the for them appointed facilities such as but not limited to on-site child care facilities.

Young workers can legally be employed but must not work at night and must be protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this policy.

All work performed by young workers must be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work. There must be adequate precautions at the work place to protect young workers. Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes. Young workers must be paid at least the legal minimum wage for every worked hour, including training time.

HUNKEMÖLLER'S RESPONSIBILITIES

In the case child labour is detected at any of Hunkemöller's direct Business partners or in the supply chain, Hunkemöller commit to undertake the child labour remediation procedure set out in this policy.

- Hunkemöller will send a letter to the Business partner informing them of non-compliance with this policy and the zero tolerance approach set out in this policy;
- Hunkemöller will seek to work in partnership with the business partner and appropriately qualified organisations to develop a responsible solution that is in the best long-term interests of the child and or children. Such programmes will be based on available best practice and will seek to meet the educational, social and economic needs of the concerned child;
- Hunkemöller commit to continue its business relationship with the business partner and work in collaboration and provide support as long as the business partner is willing to work on responsible solutions in the best interests of the child;
- In extreme situations, orders and payment may be placed on hold until the situation is dealt with and a remediation plan (as described under Remediation Plan/Programme) is in place;

BUSINESS PARTNERS RESPONSIBILITIES

Business partners observe the principle set out in this policy when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

- Business partners must monitor their supply chains and are expected to reach out to Hunkemöller immediately if they have any concern regarding child labour non-conformities at their direct or indirect suppliers;
- Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be degrading or disrespectful to the worker. Original identification documents must be checked and if possible cross-checked with other documents to identify the accurate age of employees. This is not only important in order to prevent the exploitation of children but also to prevent illegal child trafficking;
- When young workers are employed, business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs. A file of all young workers employed at the factory must be kept, so it is clear for which employees adequate precautions are put in place for their protection;

- Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to access to effective grievance mechanisms and to Occupational Health and Safety training schemes and programs;
- In the event of child labour identification, whether employed directly by the Business partners, or by a third party suppliers, business partner must commit to work in partnership with Hunkemöller and appropriately qualified organisations (local NGO or similar) to develop a responsible solution that is in the best long-term interests of the child and or children. Such programmes will be based on available best practice and will seek to meet the educational, social and economic needs of the child or children concerned;
- In removing children from the workplace, business partners must identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family;
- Business partners may not under any circumstances threaten or impede the child and their family regarding the remediation program.

REMEDIATION PLAN/PROGRAMME

In the event of child labour identification at direct business partners or in the supply chain whether employed directly by the supplier, or by a third party labour provider, a zero-tolerance alert will be triggered and following three steps protocol must be followed.

Step 1 – Immediate action

- The child will be removed from the work (place) immediately and given a safe location. The welfare and safety of the child is the priority. If necessary, the child will be provided medical support. The situation must be handled discretely, confidentially and diligently in order to protect the child and their family;
- The Hunkemöller Child Labour Record Sheet must be filled out including contact details (ideally mobile phone number) of child and parents/guardian, and wherever possible, home address;
- Meeting will be set up with business partner to communicate the policies and basic positions regarding child labour to obtain a consensus on the interim arrangement for the child and the joint commitment for remediation;
- Free food and free and safe accommodation must be provided to the child until a remediation programme is operational;
- A payment of a stipend equivalent to the amount the child was earning whilst employed, or at least local minimum wage standard, whichever is higher must be paid by the Business partner during the exploratory phase and throughout the whole remediation programme.

Step 2 Designing remediation programme

- Hunkemöller will together with business partner identify and establish a remediation team, including representatives from Hunkemöller, the business partner, local NGOs and trade unions (if active in the factory where child labour has been found). The team must have the determination to push the programme through at a local level to maintain the best interest of the child;
- In collaboration with local NGO a thorough investigation into the specific circumstances of each child, including family background, education history and economic circumstances must take place to ensure a best-practice, responsible and long-term solution will be developed for the child;
- The remediation team will support business partner on improving age verification systems to ensure no new child worker is hired. These should include (but not exclusively); policy on minimum age requirements, system for all workers to identify themselves with proof of ID, guidelines on how to check the validity of ID and age record keeping procedure;
- A funding agreement will be set up between Hunkemöller and business partner for the remediation costs such as but not limited to: education costs, any travel expenses, ongoing payment of a stipend not lower than the local minimum wage and the monitoring process. Business partner must continue remuneration on a monthly basis until the child reaches the national minimum working age;
- The identified NGO will arrange the child's enrollment in a school and monitor their attendance. The school must match the needs and circumstances of each child;
- In the case of a young worker being engaged in hazardous work, the Business partner must immediately remove the worker from the hazard and continue to employ without any reduced payment in non-hazardous work. In addition, a detailed risk assessment must be carried out regarding non-hazardous work for the young worker and also regarding the prior hazardous situation of the young worker.

Step 3: Ongoing support and monitoring

- The NGO will monitor the remediation process and will ensure the family receives the monthly remuneration until the child reaches the national minimum working age;
- The child's progress at school will also be monitored and if necessary the NGO will provide appropriate support such as courses, training, workshop and counselling.

ADDITIONAL INFORMATION

The findings will be reported with full respect for the victims' identities and honour. Our Business partner are expected to familiarize themselves with the policy and operate accordingly. Questions regarding Hunkemöllers Child Labour Policy and our Sustainability program can be addressed to corporateresponsibility@hunkemoller.com