

Child Labour Policy

Version 1.0
January 2023





Child Labour Policy

Table of Contents

1. Introduction	2
2. Vision	2
3. Scope	2
4. Legal Compliance	2
5. Policy commitments	3
6. Supplier Responsibilities	3
7. Producer Responsibilities	4
Definitions	5

1. INTRODUCTION

Every child has the right to education and to develop to their full potential. When children are required to work, their access to these rights is hindered. Over the past decades significant progress has been made towards the elimination

of Child Labour, but unfortunately many challenges remain. Roughly 165 million children are still subjected to Child Labour every year and over half of them are involved in Hazardous Work.

2. VISION

As a retailer with global supply chains and sourcing Goods from countries where there is an increased risk of Child Labour, we recognize our responsibility

to identify and protect children from any form of Child Labour within our supply chain.

3. SCOPE

Global supply chains from raw materials to finished products are highly complex, involving many different actors such as farmers, producers, agents, wholesalers, and importers. The risk of Child Labour is greater further down the chain yet supply chain transparency remains a real challenge. It is therefore important that the scope of this

policy is realistic and achievable. This policy is focused on the Producers and Subcontractors of our Direct Import and Domestic Sourcing Suppliers. All A-brand Suppliers are at the moment out-of-scope of this policy; however, we do encourage them to have a similar policy in place.

4. LEGAL COMPLIANCE

The Action Child Labour Policy is based on the below UN and ILO Conventions. When local legislation conflicts with the standards set by the UN or ILO, the principles that provide the highest protection to children apply.

- United Nations Convention on the Rights of the Child (UNCRC)
- ILO Convention 138 - Minimum Age
- ILO Convention 182 - Worst Forms of Child Labour

5. POLICY COMMITMENTS

Action does not accept Child Labour. No Child younger than the minimum working age shall be employed. The minimum working age is set at 15 (or 14 when exceptions under [ILO 138](#) apply or higher than 15 when local legislation sets a higher requirement). Special attention should be placed on the following principles:

- A Child may perform Light Work in line with ILO 138 or local legislation that may apply. The Producer must have sufficient precautions in place to protect the Child from potential non-Light Work.
- Young Workers shall not perform Hazardous Work and the Producer must have precautions in place to protect them from potential Hazardous Work, including but not limited to the continuous supervision of an adult.

Any identification of Child Labour needs to be supported with substantiated evidence. In case Child Labour is identified in Action's supply chain, Action commits to:

- Act in the best interest of the child
- Cooperate with the [Centre for Child Rights and Business](#) to establish a root cause analysis and agree on appropriate follow-up measures for the child

Action is committed to work together with the Supplier and Producer in resolving the Child Labour case. However, if a Supplier or Producer does not take the appropriate follow-up actions as determined by Action, Action reserves the right to terminate the business relationship.

6. SUPPLIER RESPONSIBILITIES

We require our Suppliers to proactively share this policy with its respective sub-Suppliers, with the aim of cascading the principles down the supply chain. In case Child Labour is identified in Action's supply chain, the Supplier commits to:

- Report the Child Labour case to Action

- Provide support to the Producer in their remediation and mitigation efforts
- Cooperate with the Centre for Child Rights and Business to establish a root cause analysis and agree on appropriate follow-up measures for the child

7. PRODUCER RESPONSIBILITIES

In case Child Labour is identified in Action's supply chain, the Producer must immediately commit to:

- Act in the best interest of the child.
- Collaborate with Action in the remediation process.
- Remove the Child from the workplace if Child Workers are found performing non-Light Work, enrol the Child in education and provide financial assistance to the Child through the Centre for Child Rights and Business until compulsory education is completed or the legal minimum working age is reached.
- Provide the Young Worker with an age-appropriate position if Young Workers are found performing Hazardous Work, for which the Young Worker will receive fair remuneration (which cannot be less than the amount the Young Worker was already earning).
- Develop and implement a corrective action plan to be approved in writing by Action to prevent future Child Labour cases, including:
 - improved recruitment policy with specific attention to the protection of Child/Young Workers and complemented with periodic internal training sessions
 - robust age verification mechanisms during the recruitment process
 - improved monitoring of Young Workers, including an overview of their names, dates of birth, current job position and direct supervisors.

DEFINITIONS

Agreement	The Purchase Contract completed by Supplier and confirmed by Action, or other form of agreement, concluded between Action and a Supplier with regard to the procurement and supply of Goods, including any individual Order thereunder.
Brand Types	Action distinguishes between five different types of brands in its assortment: <ul style="list-style-type: none"> - Private label: Action's registered trademark - A-brand label: internationally recognized brand - Licensed label: trademark used by Action under a (sub)license - White label: trademark owned by the Action Suppliers - Fancy label: trademark owned by the Action Suppliers that is sold exclusively to and by
Child	As defined by the UNCRC, a child is every human being below the age of 18 years unless under the law applicable to the child, majority is attained earlier.
Child Labour	As defined by the ILO, child labour is considered work that deprives children of their childhood, potential and dignity, and that is harmful to their physical and mental development. It refers to work that: <ul style="list-style-type: none"> - is mentally, physically, socially or morally dangerous and harmful to children - interferes with their schooling by depriving them of 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.
Child Worker	A child worker is a Child working who is below the minimum working age.
Goods	The commercial goods as purchased by Action and to be supplied by Supplier as referred to in the Agreement.
Hazardous Work	As defined by the ILO, hazardous work is considered work which by its nature or the circumstances in which it is carried out is likely to harm a person's health, safety, morals, and development. This includes but is not limited to: <ul style="list-style-type: none"> - working excessive overtime or during the night - working with dangerous machinery, equipment and tools or handling heavy loads - working underground, underwater, at dangerous heights or in confined spaces - work that exposes people to physical, psychological, or sexual abuse - work that exposes people to hazardous substances, dust, fumes, loud noise or excessively hot or cold temperatures.
Light Work	As defined by ILO, light work is considered work that: <ul style="list-style-type: none"> - is not likely to harm a child's health or development (i.e. Hazardous Work) - does not limit attendance to school or vocational training - does not take place on a continuous basis (e.g. it should only take place during school holidays or after school) - is supervised by parents or guardians who can ensure the tasks provided to children comply with the above requirements.

Order	An individual call-off order for the delivery of Goods under the Agreement, submitted by Action in writing or by electronic means.
Producer	The entity that performs the last stage of production or processing in the supply chain where product safety and working conditions are impacted. <ul style="list-style-type: none"> - for non-food products: this means the production location that performs at least one value-adding activity to the product such as final assembly or final production. - for food products: this means the production location that handles the final consumer product including packing or with a co-packer.
Sourcing Models	Action distinguishes between two different sourcing models: <ul style="list-style-type: none"> - Direct Import: direct sourcing from Suppliers or Producers outside of the EU, for which Goods Action qualifies as an importer - Domestic Sourcing: sourcing from Suppliers (categorized as importers or wholesalers) or Producers within the EU, for which Goods Action qualifies as a distributor.
Subcontractor	When the Producer that received the production order does not perform any value-adding activities to the product and instead forwards the production order to another entity, we consider this entity to be a subcontractor. This can for instance happen when production is (temporarily) moved to another entity.
Supplier	The natural person or legal entity supplying Goods to Action under the Agreement.
Young Worker	A young worker is an adolescent working who has at least the minimum working age but is younger than 18 years.