

# Child Labour Policy

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# Child Labour Policy

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## 1. INTRODUCTION

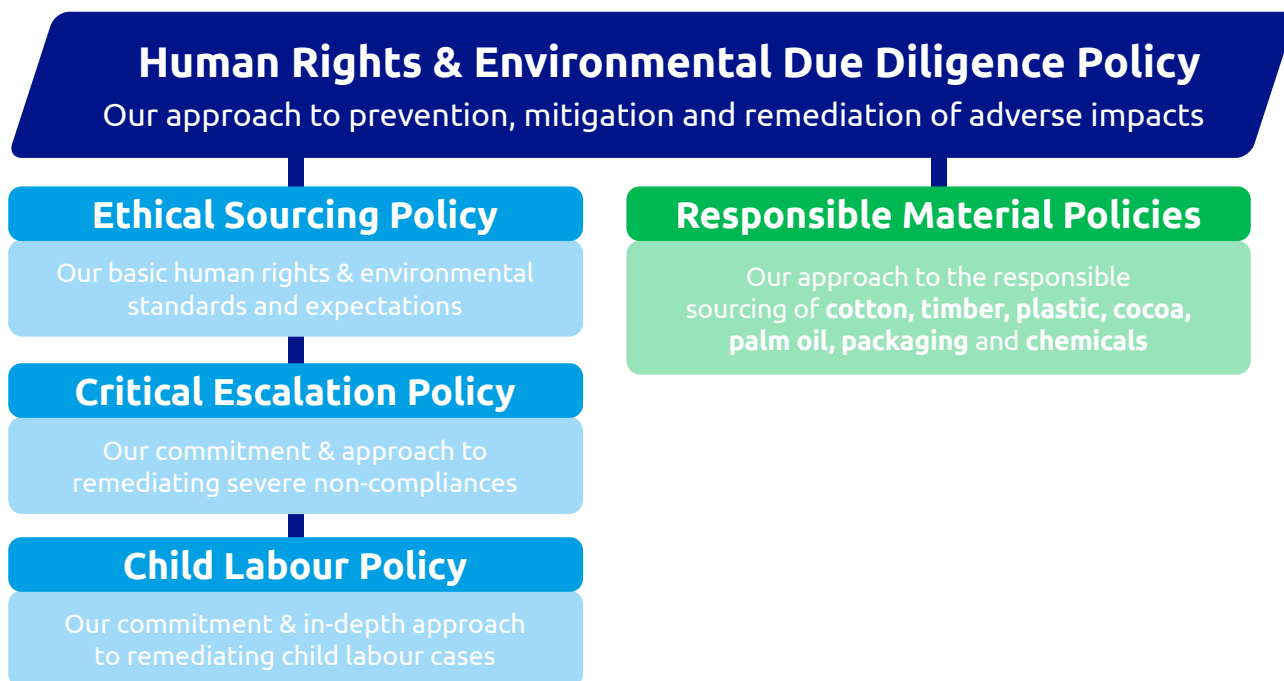
Every Child has the right to health, education and protection to develop to their full potential. When children are required to work, their access to these rights is hindered. Over the past decades significant progress has been made towards the elimination

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 value 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 value chain. Action expects all its Suppliers and Producers to comply with its Responsible and Ethical sourcing policies.

[The Human Rights & Environmental Due Diligence Policy](#) describes Child Labour as a salient impact for Action. Suppliers and Producers sourcing for Action should prevent it and remediate it in accordance with the [Ethical Sourcing Policy](#), Critical Escalation Policy and this policy.





### 3. SCOPE

Global value chains from raw materials to finished products are highly complex, involving many different actors such as farmers, producers, agents, wholesalers and importers. The impact of Child Labour is greater further down the chain, yet value 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 United Nations (UN) and International Labour Organization (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 Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- 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 below the age for finishing compulsory schooling or below minimum working age set in local legislation shall be employed. In all cases, the minimum working age shall not be below 15 (or 14 years where established by local law in accordance with the ILO developing-country exception). Special attention should be placed on the following principles:

- In line with ILO Convention 138 and local legislation, Children above 13 (or 12 where comply with ILO Convention and local legislation) can perform Light Work for their parents or relatives in ways that are not likely to be harmful to their health and development and do not prejudice their schooling. However, children

below the minimum working age should not work in a manufacturing setting.

- Children above the minimum working age but under 18 (Young Workers) shall have the legal right to work. However, no children under the age of 18 shall perform Hazardous Work. The Producer must comply with local legislation when hiring Young Workers and establish a special protection mechanism for them. These mechanisms should include but are not limited to the protection of Young Workers from Hazardous Work and night shift, ensuring workers' access to occupational health and safety training, an effective grievance system and performing the work under adult supervision.

Any identification of Child Labour needs to be supported with substantiated evidence. In case of suspicion or identification of a Child Labour case, the Critical Escalation Policy is applicable. Moreover, in case Child Labour is identified in Action's value 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 remediation programme for the Child.

Action is committed to work together with the Supplier and Producer in remediating the Child Labour case. However, if a Supplier or Producer does not take the appropriate remedial actions as determined by Action, Action reserves the right to terminate the business relationship in accordance with the Critical Escalation Policy.

## 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 value chain. In case Child Labour is identified in Action's value chain, the Supplier commits to:

- Report the Child Labour case to Action within 24 hours;

- 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 an appropriate remediation programme for the child.

## 7. PRODUCER RESPONSIBILITIES

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

- Act in the best interest of the child and do not harm the child or his/her family
- Collaborate with Action and The Centre for Child Rights and Business in the remediation process;
- If an Underage Worker is found performing non-Light Work or present at the factory outside of the dedicated child-safe areas (i.e. day care), he/she should be led to a safe place and/or away from the workplace. In this case, the Producer shall also collaborate with Action and with The Centre for Child Rights and Business to provide individualised remediation that responds to the needs of the child and scale and severity of the case. This may include enrol the child in education and provide financial assistance

until he/she reaches the age of completing compulsory education or the legal minimum working age;

- Remove the Young Worker from the Hazardous Work position. With the Young worker's consent, provide him/her with an age-appropriate position, for which the Young Worker will receive fair remuneration (which cannot be less than the amount the Young Worker was already earning); Arrange health checks and ensure any necessary treatment is provided.
- 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 Children and Young Workers and complemented with periodic internal training sessions
- Robust age verification mechanisms during the recruitment process
- Improved management and monitoring of Young Workers, including an overview of their names, dates of birth, current job position, working hours and direct supervisors.

## 8. GLOSSARY

<b>Agreement</b>	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.
<b>Brand Types</b>	Action distinguishes between five different types of brands in its assortment: <ul style="list-style-type: none"> <li>- <b>Private label:</b> Action's registered trademark</li> <li>- <b>A-brand label:</b> internationally recognized brand</li> <li>- <b>Licensed label:</b> trademark used by Action under a (sub)license</li> <li>- <b>White label:</b> trademark owned by Action Suppliers</li> <li>- <b>Fancy label:</b> trademark owned by Action Suppliers that is sold exclusively to and by Action</li> </ul>
<b>Child/Children</b>	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.
<b>Child Labour</b>	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"> <li>- is mentally, physically, socially or morally dangerous and harmful to children;</li> <li>- 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.</li> </ul>
<b>Underage worker</b>	An underage worker is a Child working who is below the minimum working age.
<b>Goods</b>	The commercial goods as purchased by Action and to be supplied by Supplier as referred to in the Agreement.
<b>Hazardous Work</b>	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"> <li>- working excessive overtime or during the night</li> <li>- working with dangerous machinery, equipment and tools or handling heavy loads</li> <li>- working underground, underwater, at dangerous heights or in confined spaces</li> <li>- work that exposes people to physical, psychological or sexual abuse</li> <li>- work that exposes people to hazardous substances, dust, fumes, loud noise or excessively hot or cold temperatures</li> </ul>

<b>Light Work</b>	<p>As defined by ILO, light work is considered work that:</p> <ul style="list-style-type: none"> <li>- is not likely to harm a child's health or development (i.e. Hazardous Work)</li> <li>- does not limit attendance to school or vocational training</li> <li>- does not take place on a continuous basis (e.g. it should only take place during school holidays or after school)</li> <li>- is supervised by parents or guardians who can ensure the tasks provided to children comply with the above requirements</li> </ul>
<b>Order</b>	An individual call-off order for the delivery of Goods under the Agreement, submitted by Action in writing or by electronic means.
<b>Producer</b>	Any actor in the value chain providing raw materials or producing (semi-)finished goods.
<b>Sourcing Models</b>	<p>Action distinguishes between two different sourcing models:</p> <ul style="list-style-type: none"> <li>- <b>Direct Import:</b> direct sourcing from Suppliers or Producers outside of the EU, for which Goods Action qualifies as an importer. Li &amp; Fung acts as our agent, facilitating the communication between Action, Suppliers and Producers.</li> <li>- <b>Domestic Sourcing:</b> sourcing from Suppliers (categorized as importers or wholesalers) or Producers within the EU, for which Goods Action qualifies as a distributor. ImpactBuying acts as our partner, facilitating the communication between Action, Suppliers and Producers.</li> </ul>
<b>Authorized Subcontractor</b>	The Producer that takes over (part of) the last stage of production, assembly, processing and/or finishing of the finished good from the PO factory with prior authorization from Action.
<b>Supplier</b>	The natural person or legal entity supplying Goods to Action under the Agreement. This entity is also referred to as vendor. When critical cases occur at lower tier Producers with whom we do not have a direct relationship, it is our Supplier's responsibility to cascade the requirements down its value chain.
<b>Young Worker</b>	A young worker is an adolescent working who is at least the minimum working age but is younger than 18 years.