

# SUPPLIER CODE OF CONDUCT

## PROHIBITION OF CHILD LABOR AND PROTECTION OF YOUNG PEOPLE IN THE WORKPLACE

ALBIRO AG is committed to sustainable, resource-saving and fair business activities.

In this guideline, ALBIRO AG defines a binding framework for action for business partners. It is therefore part of our comprehensive declaration of principles on respect for human rights and the Supplier Code of Conduct.

### DEFINITION

The International Labour Organization (ILO) has adopted two conventions for the protection of children:

Minimum Age Convention, 1973 (No.138)

Convention 138 of the International Labor Organization (ILO) obliges member states to abolish child labour and to set a legal minimum age for admission to employment and work. This minimum age should ensure the full physical and mental development of young people and be at least 15 years. For activities that endanger the development of young people, the convention calls for a minimum age of 18. Persons between the ages of 13 and 15 may only engage in light employment if it is not harmful to their health or development and if it does not interfere with school attendance or vocational training.

Hazardous work is work which, by its nature or the circumstances in which it is carried out, may adversely affect the health, safety or morals of children. This includes working underground, under water, at dangerous heights or in confined spaces and working with dangerous machinery or hazardous substances (ILO 2019b). According to the ILO, the minimum age for hazardous work is 18 years (ILO 1976).

Youth employment refers to a worker who has reached the minimum working age but is not yet 18 years old. Young workers are entitled to basic labour rights as set out in the relevant laws and regulations - for example, they are not allowed to perform hazardous or mentally harmful work (ILO 1976). However, work performed by children is not always classified as child labour, for example if the children and adolescents are involved in work that does not affect their health, personal development or education (ILO 2019b). This light work includes, for example, supporting parents in the household or in the family business and earning pocket money outside of school hours or during school vacations (amfori BSCI 2018). The ILO has stipulated that children may perform this light work from the age of 13 (ILO 1976).

Worst Forms of Child Labour Convention, 1999 (No.182)

The worst forms of child labor are

- All forms of slavery or practices similar to slavery, such as the sale of children and child trafficking, debt bondage and servitude, and forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflict.
- The use, procuring or offering of a child for prostitution, the production of pornography or pornographic images.
- The recruitment, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs, as defined in the relevant international conventions.
- Work which, by its nature or because of the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children.

## RISK MANAGEMENT

ALBIRO AG has taken the following measures to counteract the risk of child labour as far as possible:

- All production facilities and business partners are informed about this guideline and undertake to comply with it.
- All ALBIRO AG productions are obliged to have audits carried out and to present them. These audits are carried out by independent third-party companies such as amfori BSCI or FairWear.
- All production facilities and business partners are committed to transparency vis-à-vis ALBIRO AG in order to eliminate subcontractors and informal labour.
- ALBIRO AG is committed to sustainable purchasing practices and the "Common Framework for Responsible Purchasing Practices"
- Developing a risk analysis (production country and production), on the basis of which measures are prioritized.
- Cooperation with other brands and stakeholders

## REQUIREMENTS FOR OUR BUSINESS PARTNERS

ALBIRO AG is against any form of exploitation of children.

We oblige our business partners and suppliers to comply with the strict social and ethical standards of our corporate principles and review this regularly.

- All production facilities have established a policy on child labour, of which the content is consistent with this guideline.
- All productions must appoint a responsible person from the company management to manage and monitor measures to prevent and eliminate child labour.
- All productions are obliged to inform us about the involvement of subcontractors before starting production. Subcontractors must be checked and approved by ALBIRO AG.
- All productions must implement a control system to ensure compliance with child labour requirements.
- All productions must verify the age of all employees before hiring and keep a verification copy in their files.
- All productions must immediately report cases of child labour to ALBIRO AG. Incidents will be resolved in a timely and transparent manner.
- All productions where child labor has been found commit, together with ALBIRO AG, to bear the costs of reparation. This includes costs for evaluating the situation, developing proposals for solutions, education costs for the child, loss of wages for the families affected, etc. We reserve the right to postpone orders until all parties have agreed on a program of measures and all costs have been settled.
- If the affected production does not take the necessary measures, ALBIRO AG will terminate the business relationship as part of the exit strategy.
- Regular evaluation of business partners to confirm that measures have been taken or that negative impacts have actually been avoided or mitigated.
- Consultation and dialog with affected or potentially affected parties, including employees, worker representatives and trade unions.

## REMEDIAL MEASURES

If a possible case of child labour at a business partner becomes known, ALBIRO AG systematically and promptly takes action to clarify the case and eliminate the child labour. In doing so, the welfare of the child is of extraordinary importance at all times.

During the process, ALBIRO AG will work closely with the FairWear Foundation in order to help the persons concerned the best way.

If a case of child labour is detected, the following measures must be taken:

- Production must provide ALBIRO AG with initial information about the facts. The safety of the child must be ensured at all times.
- Production must check whether other children or young people are engaged in hazardous activities and inform ALBIRO AG immediately.
- After an initial assessment, ALBIRO AG, in cooperation with FairWear, checks whether the age of the child is below the minimum age by checking all relevant documents. In addition, extensive discussions are held with all parties involved to assess the child's current situation.
- Together with the child, the family and FairWear, appropriate solutions are worked out so that the child can be enrolled in a school or other suitable program if necessary. The child should be given the opportunity to remain in the agreed program until reaching the minimum working age.
- If the child reaches the legal minimum age for admission to work, he or she should be given the opportunity to be re-employed in production.
- The production concerned undertakes to review and rectify the adjustment and management process within 30 working days.
- ALBIRO AG shall monitor the production concerned until the case is fully resolved.
- The business relationship will not be terminated or restricted as long as the production is committed and takes the agreed measures in a timely manner.

We understand the implementation of due diligence as a dynamic development process. For this reason, ALBIRO AG regularly reviews this document and continues to develop it.



Corinne Loosli  
*Senior management*



Lukas Loosli  
*Senior management*

We hereby certify that we share, respect, comply and apply the values stated throughout the Supplier Code of Conduct.

Name of the company: \_\_\_\_\_

Place, Date: \_\_\_\_\_

Name of the signatory: \_\_\_\_\_

Signature: \_\_\_\_\_

Function of the signatory: \_\_\_\_\_