

Factory X Child and Forced Labour Policy

Factory X acknowledges the fact that child and forced labour occurs in many countries. However, Factory X does not accept child or forced labour, and our goal is that no products delivered to Factory X are produced by child or forced labour.

1. General Principle on Child Labour

Factory X does not accept child labour.

Factory X supports the United Nations (U.N.) Convention on the Rights of the Child (1989).

Factory X's child labour policy is based on this Convention, which stipulates:

- *"In all actions concerning children... the best interests of the child shall be of primary consideration."* Article 3.
- *Parties "recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development".* Article 32.1.

In addition, this Policy is based on the International Labour Organisation (ILO) Minimum Age Convention no. 138 (1973). According to this convention, the word "child" is defined as any person below fifteen (15) years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, the local minimum working age is set at fourteen (14) years of age in accordance with exceptions for developing countries, the lower age will apply.

This Policy also incorporates the ILO Convention on the Worst Forms of Child Labour no. 182 (1999).

2. General Principle on Young Workers

Factory X supports the legal employment of young workers.

Young workers of legal working age have, until the age of 18, the right to be protected from any type of employment or work which, by its nature or the circumstances in which it is carried out, is likely to jeopardise their health and safety.

Factory X therefore requires all its suppliers to ensure that young workers are treated according to the law; this includes measures to avoid hazardous jobs, night shifts and ensure minimum wages. Limits for working hours and overtime should be set with special consideration to the workers' young age.

3. General Principle on Forced Labour

Factory X does not accept Forced Labour.

Factory X supports and abides by the ILO Conventions Abolition of Forced Labour Convention, 1957 (No.105) and Forced Labour Convention, 1930 (No. 29) and the Modern Slavery Act 2018 (Cth). Our Forced Labour Policy is based on these conventions.

Factory X defines forced labour as: 'all work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered voluntarily'. Factory X requires that our suppliers do not manufacture products in environments where: slavery, chattel slavery, serfdom, bonded labour (debt bondage), prison labour or forced overtime exist. Factory X expects that labour is voluntary of character, freely chosen and workers must be free to leave. We expect that standard labour contracts exist that include workers' rights, working hours and wage specification. We also expect that standard regular wage payment and payments are paid directly to the worker (without an intermediary). No work should be performed under the use or threat of:

- penalties
- violence
- intimidating practices such as confiscation of personal documents

Under the Modern Slavery Act 2018 (Cth), Factory X is a reporting entity that is required to submit a modern slavery statement demonstrating our commitment to reducing modern slavery in our operations and supply chains. As part of this compliance, we have undertaken analysis to identify and remediate any potential risk of modern slavery in our operations and supply chain relating to modern slavery and therefore forced labour.

4. Implementation

All actions to avoid child/forced labour shall be implemented by taking the individuals best interests into account.

Factory X requires that all suppliers comply with all relevant national and international laws, regulations and provisions applicable in the country of production and shall recognise the U.N. Convention on the Rights of the Child,

Suppliers are obliged to take the appropriate measures to ensure that no child/forced labour occurs at suppliers' and their sub-contractors' places of production.

If child/forced labour is found in any place of production, Factory X will require the supplier to implement a corrective action plan. If the corrective action is not implemented within the agreed time-frame, or if repeated violations occur, Factory X will terminate all business with the supplier concerned. The corrective action plan shall take the individuals best interests into consideration, i.e. family and social situation and level of education. Care shall be taken not merely to move child/forced labour from one supplier's workplace to another, but to enable more viable and sustainable alternatives for the individual's development and livelihood.

The supplier shall effectively communicate to all its sub-contractors, as well as to its own co-workers, the content of Factory X's Child and Forced Labour Policy, and ensure that all measures required are implemented accordingly.

5. Labour force register

The supplier shall obtain, without withholding from the worker, documentation for every worker verifying the worker's date of birth. In countries where such official documents are not available, the supplier must use appropriate assessment methods as per local practice and law.

6. Monitoring

All suppliers are obliged to keep Factory X informed at all times about all places of production (including their sub-contractors). Any undisclosed production centres found would constitute a violation of this code of conduct.

Through the General Purchasing Conditions for the supply of products Factory X has reserved the right to make unannounced visits at any time to all places of production (including their sub-contractors) for goods intended for supply to Factory X. Factory X furthermore reserves the right to assign, at its sole discretion, an independent third party to conduct inspections in order to ensure compliance with Factory X's Child & Forced Labour policy.

7. Remediation

If child/forced labour is found in the supply chains of Factory X, we will seek to work in partnership with the supplier and appropriately qualified organisations to develop a responsible solution that is in the best long-term interests of the child/forced labourer. The supplier and Factory X will agree upon a corrective action plan, which may comprise the following actions:

- Collate a list of all potential forced labourers, child labourers and young workers.
- Seek advice and help from a recognised local non-governmental organisation that deals with forced labour, child labour or the welfare of children.
- Develop a remediation plan that secures the children's education and protects their economic well-being, in consultation with Factory X and where possible a local NGO, and in consultation with and respecting the views of the child/forced labourer.
- Whether the child contributes to the livelihoods of their family or they are self-dependent, his or her wage should continue be paid until they reach working age, or until an alternative long-term solution has been agreed with the child and their family (for example employment of an unemployed adult family member in place of the child labourer).
- Ensure that the child/forced labourer has adequate accommodation and living conditions.
- Document all actions.
- Develop processes to prevent recurrence.
- Do not:
 - Expel any of the suspected or confirmed forced, child labourers and/or young workers .
 - Threaten the forced worker, children or their families or hamper the progress of investigation and remediation.
 - Conceal or falsify any documentation.

Such actions will be considered by Factory X as evidence that the supplier is not committed to child/ forced labour remediation, in breach of this Child & Forced Labour Policy.