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| Social Accountability System SA8000 | PROC 49 Rev. 2 of 13.06.2023 |
| REMEDIATION OF CHILD LABOUR | |

STATUS OF REVISIONS

| Rev. No | Reason for revision | Date of Rev. |
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| 0 | First issue | 01.06.2021 |
| 1 | Document realignment | 01.06.2022 |
| 2 | Explanatory details added to § 5.2 | 13.06.2023 |
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1. SCOPE

We'll start by stating that the possibility of child labour in the company is deemed to be a totally remote risk; this procedure in any case defines the operating methods adopted by Industrial Wear to remedy any child labour and to protect any young workers who may be in the company.

In particular, the operating methods adopted have the objective of:

- guaranteeing the safety, health, education and development of children for whom a situation that falls within the definition of child labour has been identified and from which they have been removed, ensuring continuous monitoring to support the effectiveness of the actions implemented
- ensuring adequate protection to young workers who may be employed, promoting the necessary actions to prevent potential conditions of danger to their health and safety and fostering a suitable path of professional growth and psycho-physical development

2. FIELD OF APPLICATION

The procedure applies to the entire corporate organisation. Industrial Wear does not resort to child labour for any reason.

In compliance with the SA 8000 standard, Industrial Wear also requires its suppliers to undertake not to use or support the use of child labour, monitors its implementation and verifies that this requirement is also respected by any subcontractor [ref. PROC 47 - Supplier assessment/challenging SA8000/SA8000 questionnaire].

3. DEFINITIONS

In accordance with Standard SA 8000 the following definitions are accepted:

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| Child | Any person under 15 years of age, unless the minimum age for accessing work or for mandatory schooling is higher by local law, in which case the stipulated higher age applies in that locality (in Italy it is currently 16 years). |
| Young worker | Any worker under the age of 18 but over the age of a child, as defined above |
| Corrective action | An action implemented to eliminate the root cause(s) of an identified non-compliance. Corrective actions are taken to prevent recurrence of the non-compliance |
| Non-compliance | Failure to meet a requirement |
| Child labour | Any work performed by a child younger than the age specified in the definition of a child above, except as required by ILO Recommendation 146 (Minimum age) |
| Remediation of child labour | All support and actions necessary to ensure the safety, health, education and development of children who have been subjected to child labour, as defined above, and whose work has been terminated |
| Subcontractor | Any entity or individual in the supply chain which provides the supplier with goods and/or services integrated into, or used in or for the production of, the organisation's or one of its suppliers' production of goods or services |
| SPT | Social Performance Team: it is responsible for implementing all elements of the SA8000 standard |
| ILO | International Labour Organisation |

4. RESPONSIBILITY

The party responsible for the correct application of the procedure is the Social Performance Team and the Human Resources department.

5. MODES OF OPERATION

As already written above, Industrial Wear does not use child labour in any way. As a further guarantee, Industrial Wear adopts specific procedures for selecting and recruiting workers, these procedures define the necessary documentation to be produced by the worker in order to be hired and the concurrent check of the candidate's age.

Industrial Wear also requires that this commitment should also be implemented by its subsidiaries and suppliers.

5.1 Remediation of child labour

All those who directly detect a case of child labour or become aware of a possible use within Industrial Wear or in the chain of suppliers/subcontractors must immediately notify the Social Performance Team. Reports can be made according to the methods defined by the SA8000 system procedure's "Report Management" or by direct verbal communication to the SPT/SA8000 Management System Manager (e.g. email to: segnalazionisa8000@payperwear.com).

Once the report has been received, the Social Performance Team will start the process of ascertaining the hypothesised facts and/or situations with the collaboration of the Human Resources Department and of the company figures responsible for overseeing the company processes concerned.

Should a situation of child labour or a situation that falls within the terms of the definition of "child labour" in the SA 8000 standard be found, the Social Performance Team, with the collaboration of the Human Resources Department, will activate all the necessary actions for the immediate removal of the child from the situation itself.

Once the child labour situation has been removed, the Social Performance Team, in collaboration with the Human Resources Management/Company Management, has the task of initiating the necessary remedial actions in order to ensure the child's safety, health, education and development, as defined in the SA 8000 standard:

- immediately inform the competent bodies
- define, in collaboration with the competent legal bodies and with the parents, a child support plan which devises:
 - a) the provision of financial support for the child
 - b) the possibility for the child to return to school or to ensure schooling continues
 - c) if necessary, the payment of tuition fees, teaching materials, etc. to ensure the continuation of the educational path
 - d) adequate ways to ensure an alternative form of support for the child's family, possibly also through hiring one of the family members
 - e) actions to ensure continuous monitoring of the child's situation and the effectiveness of the interventions implemented.

At the same time as the actions described above, the Social Performance Team carries out a careful assessment of the causes which generated the occurrence of the identified child labour situation and promptly opens a Corrective Action with the aim of planning and implementing the necessary interventions to overcome the non-compliance itself and to prevent the onset of further problems of this nature by removing the causes that generated it.

The Social Performance Team records the event, the actions taken to overcome the critical conditions found, the identified monitoring actions, the CAs opened, the outcomes of the interventions and the closure of the critical situations.

The Social Performance Team also monitors the child's situation and the outcome of the defined interventions, recording everything in the appropriate forms.

The data relating to the reports are also analysed by the SPT during periodic meetings aimed at reviewing the effectiveness of the procedures implemented in order to identify possible improvement actions.

5.2 Young male and female workers

Industrial Wear chooses not to hire young workers (aged between 16 and 18) nor does it support their possible hiring throughout its entire supply chain.

However, if for some reason of social assistance and/or request from local public bodies it were to receive a request to support some young people in the area, the company takes action to implement all the controls and legal provisions, in order to ensure that the working conditions are always those provided for by current legislation on the matter (e.g. prohibition of work involving the use of dangerous chemical products, activities to be carried out in environments exposed to high noise peaks, night work, use of dangerous machinery/equipment, etc.) . Furthermore, an expert worker is supported to support him in any need and to maximize the internal protection threshold.

5.2.1 Actions to protect and support young male and female workers

In accordance with its internal policy, Industrial Wear does not hire young workers, nor does it support their possible recruitment along its supply chain.

Should, however, Industrial Wear discern the hiring of young workers within its organisation, it undertakes to:

- implement all the necessary and adequate actions in order to ensure safeguarding their physical and mental health and their development, also by means of preventing dangerous or potentially dangerous situations, in accordance with the SA 8000 Standard

- plan and implement a professional path capable of supporting the development of skills and abilities of the young male or female worker with a view to enhancing these

If young male and female workers are subject to compulsory schooling, Industrial Wear guarantees a working schedule within its organisation which allows and facilitates fulfilling their school education, in compliance with the SA 8000 Standard which envisages that:

- young male and female workers may only work outside school hours
- under no circumstances may young male and female workers (free from school obligations) work for more than 8 hours a day
- under no circumstances, for minors still subject to compulsory education, may the total time spent at school, at work and commuting by the young worker exceed 10 hours a day

5.3 Training courses

Industrial Wear has active collaborations in place with educational establishments in order to guarantee welcoming students for carrying out dual training - school/work experiences - that allow high school students to acquire a

direct knowledge of the world of work within its own corporate organisation. The Human Resources Department is responsible for this activity and for defining the operational and organisational procedures, together with overseeing and monitoring these.

These collaborations are regulated in compliance with current legislation and are planned on the basis of a training project prepared by the relevant educational establishments.

In no case does the training and orientation internship constitute an employment relationship.

5.4 Methods of communication

The SA8000 Standard states “The organisation shall establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child labourers.....”

In order to ensure effective communication of the contents of this procedure and its widest possible dissemination, Industrial Wear ensures:

- a) publication on the website and on the company portal
- b) display on the corporate bulletin boards of its offices
- c) sharing with suppliers, by signing the commitment document

6. REFERENCES

National and international legislative instruments with particular reference to:

ILO- convenzioni n.138, 182 etc

L. 977/67 Tutela del lavoro dei bambini e degli adolescenti e successiva riforma del D. Lgs 345/99

L. 157/81 Età minima di accesso al lavoro

L. 176/91 Art. 28: Diritto all'educazione; Art.32 Protezione da sfruttamento economico ed attività nocive

L. 148/2000 Proibizione ed immediata azione per l'eliminazione delle forme peggiori di lavoro minorile D. Lgs 345/99 Protezione dei giovani sul lavoro

D. Lgs 262/2000 disposizione integrative e correttive del D. Lgs 345/99 in materia di protezione dei giovani dal lavoro

D. Lgs 77/2005 Definizione delle norme generali in merito all'alternanza scuola-lavoro, a norma dell'art. 4 L. 53/2003

L. 296/2007 Istruzione obbligatoria per almeno 10 anni (6-10 anni) con aumento da 15 a 16 anni dell'età per l'accesso al lavoro