

## **Annex 2 to the *Business Partner Declaration on Sustainability*: Child labour and young workers**

To all Otto Group business partners for merchandise

### **Integral part of the *Business Partner Declaration***

The Annex is an integral part of the *Business Partner Declaration*. All conditions referred to in this declaration and in the *Business Partner Declaration* are binding for the business partner.

### **Scope**

The following requirements apply to all business partners for Group merchandise (own and licensed brands), third-party merchandise (brands) and marketplace partners.

### **Detailed requirements for child labour and young workers:**

Child labour is strictly prohibited at all Otto Group business partners and in their supply chains. In accordance with the ILO (International Labour Organization) Minimum Age Convention (No. 138), the Worst Forms of Child Labour Convention (No. 182) and national laws, the Otto Group does not permit, directly or indirectly, the employment of persons under the age of 15 (unless the exceptions recognised by the ILO apply).

Furthermore, the Otto Group does not permit the employment of persons below the age at which compulsory schooling ends or below the legal working age if this is higher than 15 (Gregorian calendar).

In addition, children below the minimum working age are not allowed on the premises of production sites<sup>1</sup>, except in places that are designated for childcare.

### **Obligations for business partners**

#### **1) Preventative measures**

- a. Standard for admission to employment for formal production sites

Business partners must ensure that no one under the age of 15 is employed at production sites (unless the exceptions recognised by the ILO apply), or below the age at which compulsory schooling ends or

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<sup>1</sup> In this annex, the term production site refers to final production factories, processing factories and raw material producers.

the legal working age if this is higher than 15 in a country in which the Otto Group operates (Gregorian calendar).

- b. Standard for admission to employment for working from home (does not apply in a formal production site)

The Otto Group endeavours to ensure fair and decent working conditions for production at home. Due to the informal nature and complexity of working from home, the Otto Group understands the difficulty in distinguishing between children learning a craft and the manufacture of products. In accordance with ILO standards, the Otto Group permits the admission to employment or work of persons performing some light work in their own homes for their parents or guardians in countries in which the age for light work and the type of light work are regulated by the state.

The relevant criteria and further details are set out in the corresponding procedure and must be strictly adhered to (refer to Point 7 of the *Business Partner Declaration*).

- c. Robust age verification mechanism

The business partner must ensure that the recruitment process at its supply chain production sites adheres to a robust age verification mechanism that is consistent with international and national legislation and applies to all employees, including migrant workers, temporary workers, students and trainees. This mechanism must guarantee the following as minimum requirements:

- A recruitment policy or procedure that explicitly states the minimum age for general and hazardous work.
- Applicants must present valid and original identification documents during the recruitment process that comply with national laws.
- Recruitment officers must thoroughly verify the authenticity of age documents provided by applicants and all relevant documents must meet the minimum requirements for documented evidence as enshrined in national laws.
- Personal interviews with all applicants are compulsory and must not be degrading or disrespectful towards the individuals in any way.
- The factory must appoint a person (i.e. the recruitment officer) who is solely responsible for HR measures: No other employee (e.g. a line or production manager) shall be authorised to carry out HR measures.
- Recruitment officers shall be provided with ongoing professional education and training.

The aforementioned requirements also apply to all other parties involved in the production and trade process, e.g. employment agencies, brokers, subcontractors, etc. The employer must carry out strict age verification in these instances as well, even if the identity papers of the employees have been verified by the employment agencies or intermediaries. Where business partners of the Otto Group have no direct control over the recruitment process, they are advised to conduct regular monitoring of age verification procedures at the production sites where the employees are working.

- d. Special protection of young workers

The Otto Group respects the right of young workers to work and their rights in the workplace. The Otto Group and its business partners do not exclude young workers who have reached the legal minimum working age merely because they are below the age of 18, but welcome initiatives by business partners to provide decent work opportunities for young people. All employers must comply with all legal requirements for the recruitment of young workers to ensure that young workers are not exposed to

harm. The employers must introduce all necessary mechanisms to prevent, identify and mitigate harm to young workers. These mechanisms should include, in particular, limits on working hours, restriction of hazardous work, provision of and access to effective workplace grievance mechanisms for young workers and workplace health and safety training programmes that specifically address the needs of young workers.

## **2) Remedial action**

The Otto Group expects its business partners and their production sites to act transparently and to take effective remedial action in the event that children under the legal minimum working age or over the minimum working age but younger than 18 are employed and perform hazardous work.

The Otto Group expects its business partners to act in the best interests of the child and within the framework of applicable laws. To ensure fair and independent redress for the child concerned, the involvement of a third party in the remedial action, preferably a children's rights organisation, is necessary in most cases. The business partners are responsible for implementation of the remedial action. However, they shall not take action without prior consultation with the Otto Group.

In the event of child labour, the steps described in the relevant procedure regarding communication and remedial action for the children concerned must be initiated immediately. They will be made available if a suspected or actual case of child labour occurs.