

Annex I. Prénatal Child Labour & Young Worker Policy – September 2020

I.I. Introduction

Prénatal does not accept child labour in its supply chain. Prénatal is a brand for children (and future parents) and therefore finds it of significant importance that the production of its articles is never at the expense of children. Every child has the right to education, to develop to their full potential and to relax and play. This policy outlines Prénatal's commitment to preventing child labour, the shared responsibilities of Prénatal and its Business partners, and our remediation procedure in case child labour is identified.

Prénatal has not encountered child labour in its supply chain before and consequently has no prior experience with handling child labour cases. This policy was therefore created in consultation with experts to ensure that all actions taken in response to suspected and/or identified child labour cases will be in the child's best long-term interest.

I.II. Scope

This policy is part of the Prénatal Code of Conduct for Commercial Business partners (hereafter: 'Code'). The Code states principles on child labour and special protection for young workers, particularly based on ILO Convention 138 concerning the minimum age for admission to employment and ILO Convention 182 concerning the prohibition and elimination of the worst forms of child labour.

This policy is specifically written for 'Business partners', which refers to any commercial entity, such as importers, agents, suppliers or producers, with which Prénatal has a commercial relation and which are involved in the production of Prénatal label and private brand articles. Business partners are responsible for cascading this policy's compliance throughout its supply chain, including but not limited to the supply of raw materials, components and/or (semi-)finished goods and services, hereafter collectively referred to as 'Supply chain partners'. Therefore, this policy is applicable to the aforementioned Business partners as well as Supply chain partners. This means that when child labour is identified at a production location, the Business partner ensures that the Supply chain partner acts in line with this policy.

In case child labour is identified related to a Business partner supplying non-Prénatal label or private brand articles, the Business partner must take over the responsibilities and role of Prénatal as stipulated in this policy. Prénatal can provide these Business partners support by sharing tools and suggesting relevant stakeholders. In any case, Prénatal expects to be updated regularly by the Business partner on the remediation procedure as described below.

I.III. Prénatal's commitment

Prénatal acknowledges the fact that child labour remains a concern in global supply chains. Because most of our Business partners operate in countries where the risk of child labour is heightened, Prénatal is committed to proactively reduce the risk of child labour by:

1. Communicating this policy internally and to its Business partners.
2. Collaborating in multi-stakeholder initiatives around the topic of child labour.
3. Engaging in social dialogue with its Business partners based on a foundation of trust and transparency.
4. Identifying potential risks of child labour in our chain through social compliance monitoring of Business partners and their Supply chain partners.
5. Building capacity at Business partners to effectively manage the risk of child labour, including lower tiers of the supply chain, through the provision of trainings, policies and tools.

I.IV. Definitions

Child worker – a child working, who is below the minimum age of completion of compulsory schooling as defined by local law, which shall not be less than 15 years unless exceptions are recognized by ILO 138 (Minimum Age Convention).

Young worker – an adolescent working, who has at least the minimum age of completion of compulsory schooling as defined by local law, which shall not be less than 15 years unless the exceptions recognised by the ILO apply, but younger than 18 years.

Light work – work activities performed by children of at least 13 years old (or at least 12 years old in countries that have set a minimum working age of 14) that does not prejudice their attendance to school or time dedicated to homework (e.g. max two hours in any working day), is non-continuous (e.g. only during school holidays) and is supervised by parents or guardians who can ensure the tasks provided to children are not harmful for their current and future health, physical development or interfere with their schooling.

Hazardous work – work which, by its nature or by the circumstances under which it is carried out, is likely to harm a person's health, safety, morals and development. This includes but is not limited to: working overtime, working at night, working with hazardous substances, working with dangerous machinery, equipment and tools, working in confined spaces, underground, at dangerous height, or in excessively hot or cold conditions, being exposed to dust, fumes or loud noise, and lifting or carrying heavy loads.

Child labour – as defined by the ILO, child labour is considered work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and/or
- 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.

I.V. Prénatal's position

In line with our Code, Prénatal does not accept child labour as defined above. Special attention should be placed on the following principles:

- a. Children may perform light work as long as the work is not performed in situations that are categorized as child labour. The Business partner and Supply chain partners must have adequate precautions in place to protect them from potential child labour.
- b. Young workers may only perform non-hazardous work and the Business partner and Supply chain partners must have adequate precautions in place to protect them from potential hazardous work, including but not limited to the continuous supervision of an adult.

I.VI. Prénatal's responsibilities

In case child labour is identified at any of Prénatal's Business partners or in the supply chain, for instance by an auditor or NGO, Prénatal commits to undertake the Child Labour Remediation Procedure (refer to paragraph 8) set out in this policy.

- Prénatal will continue its business relationship with the Business partner and provide them with support as long as the Business partner is willing to collaborate on developing responsible and sustainable solutions that are in the best interest of the child.
- Prénatal will keep the stakeholder that identified the child labour case (if applicable) up-to-date on the progress of below remediation procedure.
- In extreme cases, orders and payment may be placed on hold until the situation is resolved and the below remediation procedure (refer to paragraph 8) is in place.

- In line with the Code, Prénatal reserves the right to discontinue the business relationship when the Business partner refuses to cooperate or when child labour is identified a second time. In this case, Prénatal will evaluate if and to what extent it would take over the responsibilities of the Business partner in the Child Labour Remediation Procedure for the specific child labour case.

I.VII. Business partners’ responsibilities

In case child labour is identified, the Business partner commits to undertake the Child Labour Remediation Procedure (refer to paragraph I.VIII) set out in this policy. Other responsibilities are:

- Business partners are expected to familiarize themselves and their Supply chain partners with this policy and operate accordingly.
- Business partners are expected to monitor their Supply chain partners, identify potential risks of child labour and immediately reach out to Prénatal (mail to: MVO@prenatal.nl) if they have concerns regarding child labour.
- Business partners and Supply chain partners are expected to implement effective management systems that prevent child labour, including robust age-verification mechanisms during the recruitment process and registration of the name, age, date of birth and identification documents of all workers. If needed, Prénatal can provide guidelines to set up these mechanisms.

I.VIII. Child labour remediation procedure

In case child labour is identified in Prénatal’s supply chain, the following procedure will be followed. The procedure underlines that any measures taken should always aim to improve, not worsen, the situation of the child. Remediation of each child labour case shall therefore take into consideration the specific socio-economic context that caused child labour in the first place.

Child Labour Remediation Procedure	Timeframe
1. Immediate actions for urgent solutions	Within 1 week after identification of child labour
2. Designing the remediation plan	Within 4 weeks after identification of child labour
3. Executing the remediation plan	Dependent on the remediation plan
4. Long-term actions for sustainable solutions	Within 1 year after identification of child labour

I.VIII.I. Immediate actions for urgent solutions (not necessarily in chronological order)

- With the best interest of the child in mind, the child will be removed from the workplace and if required given appropriate care and/or accommodation by the Business partner or Supply chain partner.
- In case a young worker is engaged in hazardous work, the young worker will be immediately removed from the hazardous workplace and the Business partner or Supply chain partner will provide an opportunity for safe employment, for which he/she shall receive fair remuneration in line with principle 3 of our Code or the amount the young worker was already earning, whichever is higher (no lump sum).
- In agreement with the Business partner or Supply chain partner, a local NGO or another locally operating organisation that is appropriately qualified (hereafter: “local organisation”) needs to be contacted to assist in the immediate actions and in designing and executing the Remediation Plan (see I.VIII.II). Preferably this is the same organisation that identified child labour in the first place, given that they are able to provide the required assistance and verification.
- Prénatal will send a formal letter to the Business partner or Supply chain partner informing them of non-compliance with this policy, expressing our commitment to work together in finding a solution, and emphasizing the possible consequences for the business relationship in case of insufficient co-operation.
- The Prénatal Child Labour Remediation Form will be filled out by the Business partner or Supply chain partner including contact details of the child or young worker and parent(s)/caretaker(s)/ guardian(s), work performed at the factory, average working hours per week and salary, as well as a description of the immediate actions taken.
- The Business partner or Supply chain partner will offer the position to a member of the child’s family or caretaker, who is not classified as a child or young worker. The family member or caretaker shall receive

fair remuneration in line with principle 3 of our Code, which will at least be used to provide appropriate care, accommodation and education for the child in line with the designed remediation plan.

- In case no family member or caretaker can take over the child’s work or in case there is no opportunity for safe employment for the young worker, the Business partner or Supply chain partner will continue to pay monthly wages that are in line with principle 3 of our Code or the amount the child or young worker was already earning, whichever is higher (no lump sum), to the child or young worker from the moment he or she has been removed from the workplace and until a responsible solution for the specific child is in place according to the designed remediation plan.
- The CEO, Sustainability team and Head of Category Management of Prénatal will be informed of the situation.
- Prénatal will meet with the Business partner (and Supply chain partner if applicable) to communicate Prénatal’s position on child labour and young worker management and to agree on joint commitment for remediation of the child labour case.

I.VIII.II. Designing the Remediation Plan

- A remediation team will be created including one representative of Prénatal, the Business partner (and Supply chain partner if applicable), the local organisation and trade union or worker committee (if applicable) whose primary objective is to ensure that all taken measures will be in the best interest of the child or young worker and within the timeframe stipulated above.
- The local organisation will get into contact with the child and his or her parent(s)/caretaker(s)/ guardian(s) to build trust and investigate the socio-economic circumstances of the child – including family background, level of education and financial situation – to ensure that a responsible solution is found that takes into consideration the rights of the child.
- The Remediation Plan must at least include the following elements:
 - a. Type of remediation measures and their objective.
 - b. Detailed timeline of measures that will be taken including the person(s) responsible.
 - c. Funding agreement between Prénatal and the Business partner for the support of the remediation team. The Business partner (or Supply chain partner if applicable) where the child labour case was identified is responsible for the remediation costs.
 - d. Corrective Action Plan (CAP) for improved child and young worker policies, including age verification systems to ensure no new child worker is hired and/or improved protection of young workers, which requires Prénatal’s approval. Expert organisations can help in drafting the right policies and Prénatal can provide recommendations for robust age verification systems.

I.VIII.III. Executing the Remediation Plan

- All members of the remediation team will share their progress on the remediation plan on a monthly basis.
- The local organisation will have the responsibility to continuously monitor the well-being of the child in response to the execution of the remediation plan and update Prénatal accordingly.
- After successful completion of the remediation plan, the remediation team will have fulfilled its primary objective and terminate.

I.VIII.IV. Long-term Actions for Sustainable Solutions

- The Business partner or Supply chain partner will at their own costs execute the CAP for improved age verification systems and/or improved protection of young workers and will at their own costs be audited accordingly (unannounced) by a third-party organisation selected by Prénatal.
- If required, Prénatal will offer support through the provision of trainings, policies and tools and/or by engaging the Business partner or Supply chain partner in a multi-stakeholder initiative when available.
- Prénatal will re-evaluate internal social compliance monitoring procedures to improve insights into potential child labour risks in its supply chain.