

14 RULES TO TRADE

1. No Child Labour

Suppliers and factories must not employ children under the age of the local legal minimum working age.

2. No Forced Labour

Suppliers and factories must not allow any form of forced labour including bonded, involuntary, prison labour or acts of human trafficking.

3. Respectful Working Environment Including Diversity, Equality and Inclusion

Suppliers and factories must promote and support diversity, equality and inclusion for all employees. There must be no discrimination in the recruitment of employees or in employment practices. Every employee must be treated with respect and dignity. No physical, sexual or verbal harassment or abuse will be permitted.

4. Working Conditions are Safe and Hygienic

Suppliers and factories must ensure all operations are safe and clean. All factories must be structurally sound, consistent with all applicable laws and regulations and must hold a valid building safety and fire safety certificate.

5. Advancing to Living Wages

Suppliers and factories must ensure that wages paid for a working week must be at least the minimum national standard or collective bargaining agreement. Suppliers and factories must be on the journey towards payment of living wages where wages are enough to meet an employee's basic needs and provide some discretionary income.

6. No Bribery and Corruption

Under no circumstances will the Cotton On Group tolerate the practice of bribery and corruption in any shape or form in dealings with a supplier or factory or any of their employees, or associated parties.

7. Fair Working Hours

Working hours and benefits for all employees must comply with national / local laws and industry benchmark standards. Employees must be compensated for overtime hours at the rate legally required in the country of manufacture and all overtime work must be consensual.

8. All Employment Laws are followed

Suppliers and factories must ensure that work performed must be on the basis of recognized employment relationships established through national laws and practices. This must be supported by providing each employee with a clear, understandable labour contract containing all legally required employment terms, entitlements and conditions.

9. Disclosure of Entire Supply Chain

Suppliers must not use factories for Cotton On Group production without Cotton On Group's prior approval. Suppliers must disclose all factories (including final stage factory, inputs factory, components suppliers and raw material suppliers) used for Cotton On Group production, and both suppliers and factories must not refuse inspection from any Cotton On Group or third party auditor.

10. Respect for Freedom of Association and Collective Bargaining

Suppliers and factories will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference. This includes the right to form and join trade unions or other employee associations of their own choosing. Where the rights to either are restricted under law, the appropriate channels to ensure a reasonable and independent exercise of such rights must be designed.

11. Reduce Environmental Impact

Suppliers and factories must strive to maximize sustainable resources to reduce their carbon footprint and improve environmental performance. Suppliers and factories must comply with all applicable national and international environmental laws, standards and regulations.

12. Responsible Sourcing – Raw Materials and Practices

Cotton On Group prohibits specific materials and practices for all Cotton On Group products. This includes: materials sourced from high risk regions; harmful chemicals; animal testing of any product or formulation either during production or on finished products; and those legally required in the country of manufacture and/or sale.

13. A Valid Business License and Building Permit must be held

A business license to manufacture and a building permit fit for use must be held by any Cotton On Group producing factory.

14. Implementation and Proving Compliance to The 14 Rules To Trade

Suppliers must implement and promote Cotton On Group's 14 Rules To Trade throughout their entire supply chain (including final stage factory, inputs factory, components suppliers and raw material suppliers). Suppliers and factories must maintain relevant records regarding their operations and provide this information upon request. Factory inspection is to be permitted during any time of operation. No disciplinary action, dismissal or discrimination against any employee for providing information concerning observance of this code is permitted.