

SUPPLY CHAIN HOMEWORKER MANAGEMENT PROCESS

The Cotton On Group Group has implemented the Supplier and Factory Onboarding process to ensure that our products are only being made in facilities where we have full visibility of the supply chain and where workers have been formerly employed. The Cotton On Group Group 14 Rules to Trade applies to all suppliers and factories which they are all required to abide by.

We acknowledge that homeworkers may exist in a wide range of hand-crafted products and are entitled to equal treatment with other workers, including pay, health and safety, the rights to employment, and protection against child labor, forced labor.

DEFINITION

(a) The term homework means work carried out by a person, to be referred to as a homemaker,

- In his or her home or in other premises of his or her choice, other than the workplace of the employer.
- For remuneration.
- Which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations, or court decisions.

(b) Persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces.

(c) The term (employer) means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out homework in pursuance of his or her business activity.

Reference: ILO Homeworking Convention (1996, C177, Article 1)

IDENTIFY HOMEWORKING

Suppliers must understand the supply chain, including where homeworking takes place, by mapping the supply chain. Suppliers must disclose any existing homeworking or potential homeworking to the Cotton On Group.

APPROVAL

The homemaker process is to be audited for approval upon request with escalation at the Cotton On Group with specific purchase order records. The process and standards outlined below have been set up to monitor homemaker conditions.

Suppliers and their Factories which use homeworkers must obtain written authorization from the Cotton On Group prior using. The Cotton On Group's Production team will review the application and approve according to production needs under the following conditions:

Suppliers are required to and will be audited on:

1. Provide the exact addresses of where the work will be made.
2. Record all homeworkers information in a roster, including the description of the type of work they perform.
3. Verify the age of each homemaker to ensure there is no child labor being used for Cotton On Group production and maintain a copy of the age documents for each homemaker.
4. Maintain payroll records including the below information:
 - The estimated time for completing each piece of product.
 - The total number of working hours and working days needed to finish the work the unit price (if applicable).
 - The total amount each homemaker was paid for the production.
5. Maintain the bank transfer records or pay slips.
6. Maintain all other legally mandated documentation required.
7. Ensure the homework is in compliance with the Cotton On Group's 14 Rules to Trade.
8. Ensure they complies with all applicable laws and regulations governing 'Homework.'

MONITORING AND REPORTING

1. Homeworking will be audited for approval as one of the disclosed processes of the Tier 1 Factories prior to commencing the production of purchase orders. The required program and process listed above will be verified during the audit. Homeworking will not be approved if there is any Zero Tolerance breach found at any stage of the application and approval process.
2. Once the production of purchase orders is finalised and shipped, homeworking will be archived in the Tier 1 factory list of disclosure.
3. The Grievance Mechanism in place for anonymous reporting of homeworking during and after the production of purchase orders.
4. Suppliers will be required to set up a corrective action plan to reduce risk of homeworking and to improve the conditions for approved homeworking.

APPENDIX 1:

[Supplier Company Name]
[Supplier Address]
[City, State, Zip Code]
[Date]

Dear The Cotton On Group,

RE: HOMEWORKER MANAGEMENT PROCESS

I, _____ (Insert signature/title), representing _____ (supplier Company Name), hereby acknowledge and adhering to the 14 rules to Trade. We affirm our commitment to the following principles:

1. Be transparent with the Cotton On Group in regards of homeworkeer need and set up.
2. Provide the exact addresses of where the work will be carried out.
3. Maintain homeworkeers information in a roster, including the description of the type of work they perform.
4. Verify the age of each homeworkeer to ensure there is no child labor being used for Cotton On Group production and maintain a copy of the age documents for each homeworkeer.
5. Homeworkeers payment is to meet the local minimum wage standard.
6. No wage withholding or delayed payment. Payment records for homeworkeers will be maintained, including wage calculation details, bank transfer records, pay slips.
7. Give reasonable lead time to homeworkeer.
8. Be compliant with local law in regards of homeworkeer.

By signing this document, we acknowledge our commitment to these rules and agree to maintain records, reports, and documents as necessary to demonstrate our compliance with them. We understand that failure to uphold these rules may result in the termination of our business relationship.

[Supplier Representative Name]
[Supplier Representative Title]
[Supplier Company Name]
[Date]
[Stamp]

APPENDIX 2**HOMEWORKER MANAGEMENT PROCESS APPROVAL**

Notification of Approval – PO specific

The Supplier and Tier 1 Factory must not allow the use of homeworkers for the Cotton On Group production until they have received the below Approval Certificate from the Cotton On Group via email.

COTTON:ON**HOMEWORKER PROCESS APPROVAL CERTIFICATE**

This certificate confirms that Cotton On has reviewed the homemaker management process for the following Supplier and Tier 1 factory and has approved the use of homeworkers for production of the following PO's only:

Supplier Name:
Supplier Code:
Tier 1 Factory Name:
Brand:
Product:
Approved By:
Approval Date:

PO Information: