

Child Labour Policy



1 July 2024

1. Preamble

PKZ Burger-Kehl & Co. AG and its subsidiaries (PKZ) are a family-run clothing retail company based in Urdorf in the canton of Zurich. The company, owned by the Burger family, can look back on over 140 years of history and ranks as the oldest independent Swiss fashion house. Social and ecological responsibility are firmly anchored in its corporate culture. Respect for human rights in the supply chain is of central importance to PKZ. Our aim is to comply with stringent social standards and protect human rights in our supply chain. As a member of amfori BSCI, PKZ ensures this through adherence to the amfori BSCI Code of Conduct. This Child Labour Policy supplements this Code of Conduct and defines the requirements and measures for the prevention, minimisation and elimination of child labour. It is based on Art. 964j and 964k of the Swiss Code of Obligations (CO) and the provisions of the new Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (VSoTr).

2. Introduction

PKZ is aware of the risks to human rights, including child labour, in the global, highly interconnected textile supply chains, and takes seriously its responsibility to uphold human rights in its own operations and in its business relationships.

We take due care in avoiding infringing upon the rights of others and in eliminating negative effects. As part of our ethical and responsible business practices, PKZ complies with all applicable laws and regulations, and prohibits all forms of child labour. These standards also apply to our global supply chain.

3. Legal Bases and Standards

We are committed to complying with Swiss due diligence obligations with regard to child labour in the supply chain in accordance with the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (VSoTr) and Articles 964j to 964l of the Swiss Code of Obligations (CO) – as well as the amfori BSCI Code of Conduct. We expect our suppliers of exclusive and third-party brands to comply with these regulations as well. We also comply with all relevant international guidelines and standards. These include:

- ILO 138 “Convention concerning Minimum Age for Admission to Employment”, 1973.
- ILO 182 “Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour”, 1999.
- OECD Due Diligence Guidance for Responsible Business Conduct of 30 May 2018.

4. Scope of this Policy

This Child Labour Policy sets out our supply chain policy on child labour and supplements the amfori BSCI Code of Conduct. Both documents are binding for the PKZ organisation, its employees and PKZ suppliers. The PKZ Child Labour Policy has been published on our website since July 2024 and has been integrated into contracts and agreements with our suppliers since the beginning of July 2024. Any amendments to the PKZ Child Labour Policy will also be published on our website. To implement the due diligence obligations regarding child labour in the global supply chain, PKZ expects all suppliers to comply with the highest applicable local laws and the requirements of the ILO core labour standards regarding child labour (ILO 138 and ILO 182).

5. Child Labour and Young Workers

PKZ has committed itself to the amfori BSCI Code of Conduct, prohibits all forms of child labour and protects young workers as set out below. PKZ expects the same conduct from its suppliers.

5.1 Prohibition of Child Labour

- **Prohibition of child labour:** No direct or indirect employment of children under the legal minimum age for completing compulsory education, which may not be less than 15 years, unless the exceptions recognised by the ILO apply.
- **Protection from exploitation:** Children are protected from all forms of exploitation.
- **Respectful age verification:** Reliable mechanisms for determining age must be introduced, which must in no way be humiliating or disrespectful towards employees.
- **Protective measures:** In order to safeguard the children concerned, special care and proactive measures need to be taken in cases where children are relieved of their tasks and deported.

5.2 Special Protection for Young Workers

- **Prohibition of hazardous working conditions:** Young workers are prohibited from working night shifts and are protected from working conditions deemed detrimental to their health, safety, morale and development.
- **Protection from sources of danger:** Young workers must be removed from dangerous work situations or sources of danger immediately where such cases have been identified, and their working area must be redefined without any loss of income.
- **Safeguarding working conditions:** It is ensured that
 - the nature of the work does not jeopardise the health or development of young workers;

- the allocated working hours allow for school attendance, participation in vocational training approved by the competent authority or participation in training and further education programmes.
- **Protective mechanisms and training:** The necessary mechanisms are in place to prevent, detect and mitigate harm to young workers, with a particular focus on ensuring that young workers have access to effective grievance procedures in the workplace, and to occupational health and safety training and programmes specifically tailored to their needs.

6. Methods

In accordance with Art. 11 para. 2 VSoTr, PKZ uses the following methods to identify, assess, mitigate and eliminate risks of potential cases of child labour in its supply chain.

- On-site inspections by certified external social audit companies such as amfori BSCI, SMETA and equivalent social compliance initiatives.
- Obtaining information from international organisations such as the UN, the ILO, UNICEF and the OECD.
- Consultation of relevant specialist literature such as the “ILO-IOE Child Labour Guidance Tool for Business”, the “OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector”, the “UN Guiding Principles on Business and Human Rights”, UNICEF’s “Children’s Rights in the Workplace Index” and UNICEF’s “Children’s Rights and Business Atlas”.
- The involvement of external organisations and specialists with in-depth expertise, such as lawyers.
- Assurances from our suppliers of exclusive and third-party brands through the recognition of the amfori BSCI Code of Conduct and integration of this Child Labour Policy into contracts and agreements.
- The use of recognised sustainability certifications such as the Global Organic Textile Standard (GOTS), the Responsible Wool Standard (RWS) and the Good Cashmere Standard (GCS). These certificates explicitly prohibit child labour and have traceable supply chains.
- If this PKZ Child Labour Policy and/or the PKZ Supplier Code of Conduct are not accepted or if there are indications to suggest an increased child labour risk, we will ask our exclusive and third-party brand suppliers to provide us with details about the production countries, their policy on the prohibition of child labour and their due diligence approach to child labour in the supply chain in order to assess the child labour risk. For suppliers with a medium (“enhanced”) and high (“heightened”) child labour risk, we will work together to develop corrective action plans in order to assess and minimise the child labour risk. This includes external on-site audits by external inspection bodies. If a supplier fails to implement these measures within a specified

period of time, PKZ will initiate an escalation process that may ultimately lead to a responsible termination of the business relationship in order to eliminate the child labour risk.

7. Traceability

In order to establish the legally required system of traceability within our supply chain, our suppliers undertake to disclose their supply chains to us.

8. Complaints Mechanisms and Procedures in Cases of Suspected Child Labour

Despite all efforts to guarantee human rights in the supply and value chains, violations can still occur. The establishment of complaints mechanisms is therefore essential in order to recognise negative developments at an early stage. These mechanisms also make it possible to detect violations and initiate corrective measures. We therefore offer a reporting channel to all persons, irrespective of the nature of their contractual or business relationship with PKZ, if indeed one exists. Potential violations of the PKZ Child Labour Policy can be reported directly to PKZ at speak@pkz.ch. The protection of internal and external whistleblowers is guaranteed. All reports received are documented in writing and forwarded within the company in a transparent manner.

It is also possible to submit complaints via the amfori Speak for Change programme. Stakeholders (e.g. employees, communities and their representatives) who have a complaint about an amfori member or its business partners can submit it directly to amfori. Information and contact addresses for submitting complaints to the amfori Speak for Change programme can be found here: <https://www.amfori.org/en/solutions/governance/speak-for-change/submit-complaint>.

PKZ investigates specific indications of child labour, takes appropriate measures to prevent or mitigate negative effects, evaluates the results of the measures and communicates these results.

9. Contact

If you have any questions about this policy, about the amfori Code of Conduct or about child labour in general, please contact the PKZ Sustainability Department directly at the following email address: sustainability@pkz.ch.

10. Applicability

The PKZ Policy on Child Labour comes into force on 1 July 2024.

Urdorf, 1. Juli 2024



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