

Annex No. 2 to the PATA Code of Conduct

Forced Labour and Child Labour Prohibition Policy

The UN Sustainable Development Goals set forth immediate and effective measures to tackle forced labour, modern slavery, and people trafficking and to prohibit and prevent the worst forms of child labour¹. Being aware of the role of enterprises toward the achievement of the set aim, the PATA group has drawn up its Forced Labour and Child Labour Prohibition Policy (hereinafter—“Policy”), which it is committed to comply with and requires the same commitment of its suppliers and business partners, thus ensuring enforcement of the Policy across the whole supply chain.

Aim of the Policy

The aim of this Policy is to describe the principles of the PATA group in observing human rights which prohibit forced labour and child labour.

Forced labour

Forced labour is defined as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily²”.

The PATA group adheres to all relevant rules and regulations that prohibit forced labour. Upon signing an employment contract, the company informs its employees of their rights in the language the employee understands. Before entering into an employment relationship, the company and the prospective employee sign an employment contract in writing, with each party holding a copy of the agreement.

The PATA group makes sure any employee may freely commence and freely terminate an employment relationship.

The PATA group does not restrict an employee’s right to freedom of movement or termination of an employment relationship by preventing, among others, the following practices:

- physical or mental abuse;
- charging a fee for commencing an employment relationship;
- monetary penalties related to the fulfilment of work duties;
- setting of goals unachievable during the business hours;
- free access to employees’ identification and other personal documents;
- provision of workplace accommodation where an employee’s freedom of movement is unduly restricted.

The PATA group does not enter into an employment relationship for the purposes of debt recovery on behalf of a third party or the company itself.

At certain sites of the PATA group companies where, due to security reasons, employees’ freedom of movement is restricted by the use of electronic key cards, the company provides employees working at such sites with an electronic key card so they may move around freely. The conditions of an employment relationship do not affect an employee’s freedom of movement outside the workplace.

The PATA group does not obligate an employee to live in the company-provided accommodation. If an employee occupies company-provided accommodation, their freedom of movement is not restricted.

Upon entering into an employment relationship with an employee, the PATA group does not request and store the employee’s personal identity documents.

¹ UN Sustainable Development Goals (No. 8.7), available at: <https://www.un.org/sustainabledevelopment/economic-growth/>

² Forced Labour Convention, The International Labour Organization, available at: <https://www.ilo.org/global/topics/forced-labour/definition/lang-en/index.html>

Child labour

The PATA group acknowledges that every child has the right, among others, to a healthy and safe environment with access to education, play and recreation, an adequate standard of living, and to be protected from abuse and harm.

The PATA group does not employ children under 15 years of age.

At the PATA group companies, children who have reached the minimum legal age for employment shall not be employed in any hazardous work conditions or perform work that can harm the child's personal growth, morality, or development. Hazardous work is defined as any kind of work that might be prejudicial to a person's health, safety, morals, and development including, but not limited to, night shifts, overtime, moving heavy objects, exposure to extreme temperature and noise, and handling dangerous machinery.

The PATA group has a zero-tolerance policy against the worst forms of child labour:

- ▶ all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- ▶ the use, procuring, or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- ▶ the use, procuring, or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- ▶ work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

Application of Policy Principles

The Policy applies to all PATA group companies as well as their suppliers and business partners. All our suppliers are to adhere to our Code of Conduct, which includes provisions on forced labour and child labour.

To make sure we enforce this Policy, the PATA group:

- ▶ adheres to all relevant laws and regulations tackling forced labour and child labour;
- ▶ recognises the significance of the issue and takes a strong stance on it publicly;
- ▶ educates its staff on the issues raised in the Policy and encourages the staff to report on forced labour or child labour if they see or suspect it;
- ▶ informs its suppliers and other business partners about the company's Policy and makes sure that agreements stipulate that this Policy is complied with as an integral part of the PATA Code of Conduct;
- ▶ carries out supplier and business partner audits on the Policy enforcement.



The Policy is reviewed and, if required, amended or supplemented once a year. The enforcement and review of the Policy is performed by the boards of the PATA group companies.