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# Mandatory Reporting of Child & Forced Labour Policy

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## Kathmandu Reporting Policy

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## 1.0 Mandatory Child & Forced Labour Reporting Policy

### 1.1 Purpose

This policy outlines the mandatory requirements for reporting a case of Child Labour and / or Forced labour discovered within the Kathmandu supply chain.

Using 2012 figures, the International Labour Organisation (ILO) estimate that 20.9 million people are victims of forced labour globally, trapped in jobs into which they were coerced or deceived and which they cannot leave. This figure, like the previous one in 2005, represents a conservative estimate, given the strict methodology employed to measure this largely hidden crime.

Human trafficking can also be regarded as forced labour, and so this estimate captures the full realm of human trafficking for labour and sexual exploitation or what some call “modern-day slavery”. The figure means that around three out of every 1,000 persons worldwide are in forced labour at any given point in time.

Women and girls represent the greater share of the total – 11.4 million (55%), as compared to 9.5 million (45%) men and boys. Adults are more affected than children – 74% (15.4 million) of victims fall in the age group of 18 years and above, whereas children aged 17 years and below represent 26% of the total (or 5.5 million child victims).

Of the total number of 20.9 million forced labourers, 18.7 million (90%) are exploited in the private economy, by individuals or enterprises. Out of these, 4.5 million (22%) are victims of forced sexual exploitation, and 14.2 million (68%) are victims of forced labour exploitation in economic activities, such as agriculture, construction, domestic work or manufacturing. The remaining 2.2 million (10%) are in state-imposed forms of forced labour, for example in prisons, or in work imposed by the state military or by rebel armed forces. 1.

The figures do not include trafficking for the removal of organs or for forced marriage/adoption unless the latter practices lead to a situation of forced labour or service. The Asia-Pacific region accounts for by far the largest number of forced labourers – 11.7 million or 56% of the global total.

There are a number of international labour standards in place to combat such exploitation, principally the United Nations Convention on the Rights of the Child (1989), The Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (2000), The ILO Minimum Age Convention (1973) and the ILO Worst Forms of Child Labour Convention (1999).

The Minimum Age Convention sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). The Worst Forms of Child Labour Convention defines as a "child" a person under 18 years of age. It requires ratifying states to eliminate the worst forms of child labour, including 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; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or morals of children.

The convention requires ratifying states to provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration. It also requires states to ensure access to free basic education and, wherever possible and appropriate, vocational training for children removed from the worst forms of child labour.

Kathmandu supports and endorses the international labour standards established to combat exploitation. This policy is created to ensure that any cases of child labour and / or forced labour discovered within the Kathmandu supply chain are dealt with appropriately in a professional and timely manner.

## 1.2 Scope

### Child Labour

The ILO defines child labour as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

It refers to work that:

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

In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities, often at a very early age. Whether or not particular forms of “work” can be called “child labour” depends on the child’s age, the type and hours of work performed, the conditions under which it is performed and the objectives pursued by individual countries. The answer varies from country to country, as well as among sectors within countries.

Kathmandu supports ILO Minimum Age Convention with regard to the minimum legal age of workers. Kathmandu will not knowingly work with suppliers who use child labour. If a supplier is found by Kathmandu to use child labour, the supply agreement will be terminated.

Kathmandu Suppliers must employ workers in accordance with the minimum employment age defined by national law or by International Labour Organization (ILO) Convention - whichever is higher. The ILO minimum employment age is the local mandatory schooling age, but not less than 15 years of age, subject to exceptions allowed by the ILO and national law.

Kathmandu Suppliers must comply with all applicable laws governing minimum working age:

- If set below 15 years of age, then no one under the age of 15 is permitted to work (subject to exceptions allowed by the ILO and national law.
- If set at 15 years of age, then no one under 15 is permitted to work.
- If set above 15 years of age, then no one under the age established by law may work on the factory floor.

Kathmandu Suppliers must be able to demonstrate the establishment and proof of implementation of a written policy specifying the youngest age for hired workers to ensure compliance with the child labour provision as detailed above. All workers must be aware of this policy without exception.

Kathmandu Suppliers must comply with all legal restrictions placed on young/juvenile workers and should take every precaution to ensure that these workers are protected from conditions dangerous to their health, safety and / or welfare. This includes but is not limited to:

- The number of days worked to days of rest.
- The number and frequency of overtime hours worked,
- Hazardous and/or night shifts,
- The implementation of annual (as a minimum) medical examinations

Suppliers must maintain accurate and up-to-date documentation for juvenile workers, as required by law, including written permission from parents or guardians, registration, school completion certificates and doctor certificates where applicable.

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Kathmandu Suppliers must have a written Recruitment & Employment Policy which includes:

- Clear definitions of legal age limitations,
- Procedures in place to verify and record legal age documentation in the form of birth certificates, government identification cards and/or other official documents,
- Secure Personnel Files for all employees.

No children under the age of 15 are allowed into any operational areas or factory space, even if they are not employed in the facility.

### **Forced Labour**

Kathmandu only operates with suppliers whose employees work freely under their own volition, and are in no way forced, bonded or obligated to work against their will.

- Employment is freely chosen by all employees.
- There is no forced, bonded or involuntary prison labour.
- All forms of forced and slave labour are prohibited.

Workers are not required to lodge monetary deposits or their identity papers with their employer and are free to leave their employer after reasonable notice without malice.

Kathmandu Suppliers shall not engage in or support trafficking in human beings. Suppliers must verify that their product supply chains address risks of slavery and human trafficking.

Kathmandu Suppliers shall certify that they have implemented procedures to manage the materials, including all labour related processes, incorporated into their products to ensure they comply with laws on slavery and human trafficking.

Workers employed in any part of the Kathmandu supply chain must be able to voluntarily end their employment without any restrictions. Any restrictions for workers to voluntarily end their employment, such as excessive notice periods or substantial fines for terminating their employment contracts, are prohibited.

Kathmandu Suppliers must never physically prevent or delay workers from leaving the facility or its grounds unless for reasonable safety reasons.

Kathmandu Suppliers must grant employees permission to leave the factory under reasonable circumstances, such as personal or family emergencies, without disciplinary penalty.

Kathmandu Suppliers must not require employees to make any monetary deposits or require employees to surrender any original identification documents as a condition of employment.

Kathmandu Suppliers should never require employees to incur debt through recruitment fees or make any financial guarantees to secure employment.

## 2.0 Mandatory Reporting Process – explanations and definitions

*Refer Mandatory Child & Forced labour Reporting Process flowchart (at end of policy) for details.*

If a Kathmandu staff member (including third party auditor) acting on behalf of Kathmandu, becomes aware of a case of child labour and/or forced labour, they must immediately inform their manager.

### 2.1 Staff Member:

- “anyone employed by, contracted by or acting on behalf of the company, which includes third party auditors”

### 2.2 Becomes aware:

If someone receives relevant information, they are considered to have been ‘made aware’ of the incident and would be required to report, for example:

- Direct notification by a factory worker via email.
- Direct notification by a third party auditor
- Direct notification through a complaint / information contained in a letter
- Direct notification by a non-government organisation (NGO).
- Direct notification by a supplier.

## 3.0 Reporting Process

Staff Member must immediately inform their Manager, who will then escalate the incident to the Kathmandu Product Team.

### 3.1 Recording of Details

The staff Member should obtain as much information as possible about the incident. The following information should be recorded by the person discovering the incident:

- The date, time and location.
- What is the nature of the incident (child labour, forced labour)
- The circumstances of the incident.
- How it was observed and who was present at the time.
- Gender, age, name and full contact details of the victim.
- Full details of the onsite factory manager / line supervisor.
- Full description of the work the victim was observed performing.
- Depending upon the circumstances, consider taking photographs if appropriate.
- Depending upon the circumstances, consider informing the victims of their options to seek assistance and provide appropriate referral information.

## 3.2 Escalation

The relevant Manager immediately escalates the incident to the Kathmandu Product Safety team:

The relevant manager needs to **directly** reach someone in the **Corporate Social Responsibility (CSR) Product team**. Due to the urgency of this process, it is imperative that someone in this list is contacted as soon as possible. The manager is responsible for ensuring that someone within the Product Team has been contacted and advised of the incident. The order of contact is as follows.

## 3.3 Product Team:

### 1. CSR Manager

Gary Shaw

Phone: +64 (0)3 4215941

Cell: +64 (0)21 33 1911

Email: [gary.shaw@kathmandu.co.nz](mailto:gary.shaw@kathmandu.co.nz)

Mon – Fri 08:00 – 17:00 (NZ Time)

### 2. Supplier Management & CSR Coordinator

Summer Tu

Phone: +64 (0)3 421 5908

Cell: +64 (0)21 043 8001

Email: [summer.tu@kathmandu.co.nz](mailto:summer.tu@kathmandu.co.nz)

Mon – Fri 08:00 – 17:00 (NZ time)

In the event of none of the Product Safety team being available, the incident should be escalated to the General Manager of Product (below):

### 3. General Manager – Product

Ben Ryan

Ph. +64 (0)3 421 5265

Cell: +64 (0)273 144107

Email: [ben.ryan@kathmandu.co.nz](mailto:ben.ryan@kathmandu.co.nz)

## 3.4 Initial Action

If Kathmandu CSR Manager or General Manager Product considers that a violation has occurred, s/he will, within 48 hours, make contact with the most appropriate relevant contact from the supplier in question. Input and advice from the Fair Labour Association or other governing body may also be sought.

Kathmandu will present the details of the incident and seek an explanation. Kathmandu will also ask for an immediate internal investigation on behalf of the supplier. Kathmandu will further ask the supplier to report back to them within 48 hours as to the outcome of their own internal investigation.

## 3.5 Local Authorities

Depending upon the strength of the available evidence and the outcome of the internal investigation and the explanation offered by the supplier, Kathmandu will consider contacting the most appropriate relevant local authorities to investigate further.

Depending upon the circumstances, this may be the Ministry of Labour (or local equivalent), local law enforcement or other mandated agency. Kathmandu will work with the most appropriate local authorities, informing them of the suspected violation and agreeing on an action plan.

### 3.6 Action Plan

Action Plans will vary dependent on the violation identified and the underlying circumstances, but will always include both investigation and remediation. The best approach will vary depending on the violation identified and the underlying circumstances. The following are broad recommendations only and are examples of the kind of action that should be considered depending upon the circumstances of each case.

### 3.7 Examples of Recommended Approach

#### **Recommended approaches and examples of best practice for remediating cases of underage workers:**

- The case is referred to the relevant local agency or authority. This may include more than one agency, for example a relevant department within the Ministry of Labour, local law enforcement and/or local NGO with appropriate knowledge, experience and capacity.
- Kathmandu assist with the investigation into the incident. Every attempt is made to determine the child's age through interviews and documentation.
- Other key people and institutions whose assistance may be required for remediation are identified. Depending on the circumstances, these may include relevant departments within the Ministry of labour or other Government departments, the employer, the recruitment agent (if any), the worker, the child's family, trade union representatives, buyers, local NGOs, and healthcare and counselling service providers.
- If necessary, a guardian is appointed by local authorities to represent the best interests of the child. Children of sufficient age and maturity participate in any decisions that may affect them.
- Subject to relevant local law, the outcome of the investigation and the unique circumstances of each case, if the employer is deemed to be negligent or in any way responsible for the incident, every effort is made to ensure that the employer is held responsible for paying any fees associated with the placement of the child in the education/vocational training schemes, and housing costs if the child will not reside with family.
- Again, subject to the unique and specific circumstances of each case and the outcome of the investigation into the incident, every effort is made to ensure that the employer provides the child with a monthly compensation payment until s/he turns 15.
- Subject to the circumstances of the case and the outcome of the investigation, any outstanding disciplinary fines or other monies owed by the child to the employer are forgiven by the employer.
- The employer ensures that the age of all workers will be verified against reliable documents prior to recruitment (including workers recruited through agents).
- The employer ensures that workers who are between 16 and 18 years of age are not subject to the worst forms of child labour as defined by the ILO Worst Forms of Child Labour Convention (1999).
- Subject to the specific circumstances and outcome of each case, Kathmandu will reevaluate its relationship with the supplier / employer in question. This may result in anything from a full audit of the factory/supplier in question and the remediation of the hiring and employment processes followed by the factory/supplier in question, through to the complete termination of the relationship.

#### **Recommended approach for remediating issues relating to forced labour**

- The case is referred to the relevant local agency or authority. This may include more than one agency, for example a relevant department within the Ministry of Labour, local law enforcement and/or local NGO with appropriate knowledge, experience and capacity.
- Kathmandu assist with the investigation into the incident. Every attempt is made to determine the true nature of the circumstances of forced labour through interviews and documentation.



- Other key people and institutions whose assistance may be required for remediation are identified. Depending on the circumstances, these may include relevant departments within the Ministry of labour or other Government departments, the employer, the recruitment agent (if any), the worker, the child's family, trade union representatives, buyers, local NGOs, and healthcare and counselling service providers.
- Appropriate remedial action is taken to assist/protect workers, depending on the violation. For example, the employer removes restrictions on workers' freedom of movement, and workers are informed about the change in policy.
- Persons accused of threat or violence in the workplace are suspended immediately by the employer pending the outcome of the investigation; persons found to be responsible for threat or violence are disciplined appropriately by the employer and through government prosecution if appropriate.
- Egregious cases of worker confinement, or physical or psychological abuse are referred to law enforcement authorities and/or NGOs.
- Law enforcement authorities and/or NGOs provide workers a safe place to stay and link them to needed services, including healthcare, counselling, shelter, legal aid and other services.
- Subject to the unique and specific circumstances of each case and the outcome of the investigation into the incident, every effort is made to ensure that the employer is held responsible and bears the cost of any necessary services.
- The Ministry of labour pursues appropriate enforcement action against the employer, in coordination with other governmental authorities if appropriate under the circumstances.
- Kathmandu works with the factory and advisory services to ensure that noncompliance relating to forced labour is addressed in a sustainable manner and that all measures taken are in the best interest of the victim(s).
- Throughout the investigation and remediation efforts, the well-being of the victim(s) of the violation is safeguarded and any action taken must not in any way place the victim in any further danger or make him or her vulnerable to any retribution.

## 4.0 Supplier Liability

It is important to note that the reporting of an incident is not considered an automatic admission of liability in relation to the supplier involved. The Mandatory reporting regime has been created to allow timely forwarding of information to ensure that the most appropriate action is taken as soon as possible given the critical nature of the exploitation and inherent vulnerability of victims of child and forced labour.

## 5.0 Confidentiality

Mandatory reports of this nature must be treated as confidential to ensure that the rights of the victim as well as the supplier, factory and employer are also protected and that any premature disclosure does not threaten the integrity of any subsequent investigation and/or prosecution.

Staff members aware of the incident must not discuss it with anyone other than the people listed at 3.3. Before publicly disclosing any information specific to the case, Kathmandu will first consider whether such disclosure is:

- In the public interest
- Required or authorised by law
- Necessary for the enforcement of criminal law

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## 6.0 Summary

There is more forced labour and child labour in the world than at any other time in human history. With many millions of those victims employed in the global textile and apparel industry, it is imperative that companies operating in this arena do whatever they can to ensure that their supply chain has integrity and is free of such exploitation.

Any Kathmandu staff member who becomes aware of an incident must:

- a. immediately inform their manager (who will escalate to Kathmandu CSR Team and Product Team General manager)
- b. record all necessary information

All information is confidential and must not be publicly disclosed by anyone involved in the incident or reporting the incident.

Failure to adhere to this mandatory reporting regime may leave victims of child labour and/or forced labour in very dangerous and potentially life threatening circumstances.

In some jurisdictions, penalties can also be imposed on the company and/or individuals involved if this process is not followed.

This policy is an essential part of the Kathmandu brand and is an expression of our core values of integrity, transparency and our commitment to inspiring adventure in everyone.