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**FORCED LABOUR
POLICY STATEMENT**

Statement on the Company's Forced Labour Policy

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Introduction & Scope

The Wünsche Group, a globally recognized service and trade organization, is dedicated to upholding and protecting the rights of workers and employees throughout its operations and supply chains. We strictly prohibit all forms of servitude or modern slavery, forced or bonded labour, and any other form of involuntary labour and human trafficking. In this policy, the term "Forced Labour" will be used to cover all forms of involuntary labour. Forced Labour is not limited to situations where a worker/employee is threatened with violence; it also encompasses other forms of control, such as deception and fraud, debt bondage, withholding of wages or identity documents, threats, and exploitation of power imbalances. This Wünsche Forced Labour Policy has been developed in alignment with the following international standards:

- Universal Declaration of Human Rights
- ILO Forced Labour Convention, 1930 (No. 29)
- ILO Abolition of Forced Labour convention, 1957 (No. 105)
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- UK Modern Slavery Act 2015
- Australian Commonwealth Modern Slavery Act 2018
- California Transparency in Supply Chains Act 2010
- Dhaka Principles for Migration with Dignity
- amfori BSCI Code of Conduct
- SDG Target 8.7

Our Forced Labour requirements are valid for all workers/employees (from hereon referred to as "Workers"), regardless of their age, ability, ethnic origin, race, migration status, gender, sex, religion or belief or sexual orientation, in our own operations, as well as in the activities and operations of our business partners and their supply chains. All Workers shall be granted the same rights to safe and decent working conditions, including adequate worker representation. Children and youth can also be victims of Forced Labour, but for child labour specific inquiries, please refer to our Wünsche Child Labour Policy.

Regional, national and international laws, each insofar as they are applicable, must be complied with. Whichever applicable law is stricter and offers the highest protection to the workers should take precedent.

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Terms and Definitions

Understanding the correct definitions of the terms related to Forced Labour is essential to establishing an effective policy:

Bonded Labour / Debt Bondage

Individuals are compelled to work to repay a debt; the repayment is nearly impossible and/or the nature and length of work is not defined or limited.

Forced / Compulsory Labour

Any work or service which is performed involuntarily and under the threat of punishment or coercion.

Human Trafficking

The recruitment, harboring, transportation, or transferring of persons by means of threat, force, coercion (including fraud or deception), or bribery with intent of exploiting them.

Prison Labour

The use of incarcerated individuals for work.

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Indicators of Forced Labour & Wnsche Requirements

Indicators may help identify the presence of Forced Labour and specifics on what is forbidden.

Freedom of Employment

All Workers shall have the right to freely choose their job or occupation without undue restriction, coercion, or discrimination.

Workers shall also not be coerced to resign against their will by any means. They shall be able to leave their job after the legal notice period once they have been terminated or have resigned. They shall not face any threats or penalties, except for reasonable contractual obligations. Under no circumstances shall Workers be asked to sign blank papers or undated resignation papers.

Proper Wage Payments & Benefits

At a minimum, the minimum wage shall be ensured at all times for all Workers. Overtime hours must be appropriately compensated according to legal requirements. All Workers must be entitled to receive their legal and social security benefits. Wages must be paid on time and must not be systematically delayed for any reason. Payments should be paid to the Worker or Worker's bank account directly. Wage documents and payslips must be detailed, accurate, and clearly show regular and overtime hours, as well as bonuses and deductions. Payslips always should be provided to the Worker in a language understood by the Worker. Resigning Workers must be paid outstanding wages and benefits without delay.

Prohibition of Debt Bondage

No illegal deductions, deposits, or disciplinary actions shall be taken against Workers. Any employment relationships based on debts between the Worker and the employer or recruiter are strictly forbidden. All costs related to recruitment (e.g. medical checks, trainings, uniforms, equipment, etc.) must be borne by the employer (see Employer Pays Principle below).

Workers must not be allowed to accumulate debt with their employer or recruiter/job agency through means such as loans, fines, or wage deductions.

Any rent or other living costs charged by the employer to a Worker must be in line with the local market rate and allow the Worker to save money without entering into debt. Only legally licensed recruitment agencies should be used for hiring Workers and all services they provide should be via legally-binding contracts.

Employer Pays Principle

In some countries, it is common practice and legal to have (usually migrant) Workers pay excessive recruitment fees, as well as transportation fees, visa fees, medical tests, etc. which can lead to debt bondage since the Worker must continue to work just to repay the fees. Despite the legality, the Wnsche Group supports the ILO Employer Pays Principle: all fees must be fully borne by the business itself. For more information, please refer to the ILO's "General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs".



Free from Abuse

Workplaces must be free from all forms of verbal, sexual, and physical abuse and harassment.

Work Time & Time Off

Production targets and piece rates should be realistically calculated and based on normal work schedules. Workers cannot be forced to work overtime and voluntary overtime should be documented as such. Workers shall not be locked in any building and are free to leave without threat. Bathroom breaks should not be limited in time or number. Workers shall be able to move and act freely in their free time. In hard-to-access workplaces, free of cost transportation must be provided by the business partner.

No Precarious Employment

A written and signed, legally binding contract is required before the Worker begins work. The terms of the contract must be clear, in a language the Worker understands and must accurately describe at least the job position and tasks, wages and benefits, and term of the contract. In case that a Worker cannot read, the contract should be clearly explained verbally by a third party. The Worker shall get a signed copy of the contract for the Worker's personal records.

Personal Belongings

An original copy of Workers' IDs and all other personal documents and belongings shall be retained by the Worker at all times and never be withheld by the employer.

Prison Labour

In line with the ILO and EU Forced Labour Regulations, prison labour is only allowed when it is strictly voluntary and to the benefit of the Workers.



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Preventive Measures

Here are the measures we take and the preventive measures we expect our partners to take to reduce the risk of Forced Labour occurring.

How the Wünsche Group Combats Forced Labour:

- Third-Party Social Audits: All our production facilities located in risk countries have a valid social audit from either amfori BSCI, Sedex or SA8000
- Production facility monitoring e.g. Wünsche Social Audits and Production Checks
- Our risk analysis, where we rate the risk of Forced Labour for different countries/ regions and then propose practical measures to help address each identified risk
- Trainings for business partners on the prevention and remediation of Forced Labour
- Grievance mechanisms (amfori Speak for Change, International Accord, customer and internal grievance channels)
- Legally binding corporate responsibility standards with our business partners

How Our Business Partners Should Combat Forced Labour:

- Policies and processes on Forced Labour and employment policy should be established and communicated within their own operations as well as to their supply chains
- Trainings on Forced Labour for all Workers
- Monitoring of implementation of the policies and procedures
- Functional grievance channel for Workers, which provides them with access to remedy
- Documentation of labour contracts, grievances, and trainings should be kept

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Remediation

In the event that Forced Labour is suspected and/or identified within the Wünsche Group's operations or supply chains, we

are committed to taking immediate and decisive corrective actions. We encourage Workers to seek out our support in addressing and remediating the case.

If Forced Labour is identified, all details about the case and remediation measures should be **documented and reported** to the Wünsche Group within 24 hours. The **root causes** of the Forced Labour then need to be identified and analysed. Next steps include **remediation and rehabilitation** of the victims. This includes protecting victims from punishment for unlawful activities they may have been forced to commit. **Further preventive actions** should be implemented if necessary.

The Wünsche Group reserves the right to impose consequences if deemed necessary, although the main objective is to support our business partners and victims of Forced Labour through remedy and development. As necessary, the case may be referred to the appropriate authorities.

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End Note

Forced Labour is an ever-present global issue which requires all of our efforts to tackle.

We at Wünsche can only do so much to prevent and identify Forced Labour alone – we need the help and support of our business partners, customers, local NGOs, unions, and all stakeholders to help combat Forced Labour. Please contact us at grievance@wuenschegroup.de with any questions, concerns, suggestions, or grievances regarding this Forced Labour policy, our requirements, or any cases within our supply chains.



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