COFRA Consolidated Report on Child Labour Due Diligence 2025

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About this report

This consolidated report addresses the due diligence and reporting obligations specifically relating to child labour, as required by Article 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour. It covers the period from 1 January 2025 to 31 December 2025. As described below, during that time COFRA Holding AG was compliant with the Swiss regulations concerning child labour. COFRA did not trade in minerals or metals from conflict-affected or high-risk areas above the specified thresholds, and therefore is not subject to the applicable due diligence and reporting obligations.

Executive Summary

COFRA Holding AG is committed to respecting internationally recognised human rights as outlined in the UN's International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization. This commitment, reflected in COFRA's Human Rights Policy and Code of Conduct, is based on the UN Guiding Principles on Business and Human Rights. COFRA actively engages with its businesses to help them identify, evaluate, and address actual and potential adverse human rights impacts throughout their value chains.

COFRA and its businesses use a risk-based approach to identify any reasonable grounds for suspecting child labour in each business's supply chains. The risk assessments concluded that only C&A Europe and C&A Brazil operate in sectors that are susceptible to child labour risks. Both businesses have established robust frameworks to prevent, identify, and remediate child labour risks throughout their operations and supply chains, supported by clear policies, ongoing monitoring and accessible grievance channels. If child labour is detected, orders are suspended until full compliance is achieved, and affected children are transitioned into education programmes in accordance with OECD recommendations and with the support of local partner NGOs.

Regardless of whether there are reasonable grounds to suspect child labour in the supply chains or not, COFRA businesses strengthened human rights commitments and supply chain transparency during 2025. C&A Europe introduced pre-visits in higher-risk scenarios, updated its Undisclosed Production Policy, and launched a human rights due diligence pilot with CottonConnect in selected cotton ginning mills. C&A Brazil implemented automated checks of publicly available records of forced and child labour convictions.

1. About COFRA

COFRA Holding AG is a privately held group, headquartered in Switzerland, with operations in Europe, the Americas and Asia. COFRA has a diverse portfolio of investment businesses in private equity (Bregal Investments), real estate (Redevco) and asset management (Anthos Fund & Asset Management). Businesses and investments are also held in retail, clean energy and sustainable food.

Through business, COFRA strives to be a force for good in the world - a mission that has characterised the Brenninkmeijer family owners' activities for six generations, since the founding of C&A in 1841.

For more information, see www.cofraholding.com.

2. Human Rights governance and commitments

Policy framework

COFRA is committed to respecting internationally recognised human rights as outlined in the UN's International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

This commitment is reflected in COFRA's Human Rights Policy, which has its basis in the UN Guiding Principles on Business and Human Rights ("UN Guiding Principles").

COFRA's Code of Conduct establishes ethical standards for COFRA and its businesses. COFRA actively engages with its businesses to help them identify, evaluate, and address actual and potential adverse human rights impacts throughout their value chains.

In accordance with the UN Guiding Principles, all large COFRA businesses have established human rights policies and statements, identified salient human rights risks and impacts – using the international methodology for salience outlined in the UN Guiding Principles. This includes implementing human rights due diligence in their operations and value chains. These businesses integrate the findings from their due diligence assessments into their operations, monitor the effectiveness of their responses and communicate the outcomes both internally and externally. Engaging with stakeholders is an integral part of this process.

Group expectations for businesses and suppliers

COFRA actively engages with its businesses to advance the maturity of their human rights approaches, ensure alignment with group-wide expectations, and promote continuous improvement.

COFRA and its businesses hold their partners and suppliers to the same high standards, particularly in relation to the elimination of child labour, humane treatment of employees, elimination of forced labour, non-discrimination and diversity, and workplace health and safety, in alignment with COFRA's Code of Conduct.

3. Child Labour due diligence methodology

COFRA and its businesses use a risk-based approach to identify any reasonable grounds for suspecting child labour in each business's supply chains. Understanding a business's products and sourcing countries provides the basis for a country-level supplier risk assessment, or alternatively, a sector and material source analysis. This approach leverages the UNICEF Children in the Workplace Index, as well as reports on child labour issued by other international organisations and reputable NGOs. Supplier-specific child labour risk assessments are conducted to identify any reasonable grounds for suspecting child labour.

The risk assessments cover the businesses' own operations and their Tier 1[1] suppliers, and for some businesses, their Tier 2 suppliers, as far as is possible given the available data.

4. Risk assessment results and conclusion

The risk assessments of the respective COFRA businesses (the outcome of which can be found in Annex I) concluded that only C&A Europe and C&A Brazil act in sectors which are susceptible to child labour risks. Therefore, the next part of this report focuses on C&A.

5. C&A: Child labour due diligence (C&A Europe and C&A Brazil)

Overview and scope

C&A is a global apparel retailer with a history stretching back to 1841. It sells quality – and increasingly – more sustainable[2] fashion at affordable prices, both in its brick-and-mortar stores and online. COFRA maintains a 100% indirect ownership of C&A Europe, and a 30.92% shareholding in C&A Brazil. Both C&A Europe and C&A Brazil are held as investments and feature their own governance structures, which include independent boards and management teams. Both businesses are covered by this report.[3]

Due diligence system

C&A Europe and C&A Brazil have been working to mitigate child labour risk for many years as part of their human rights strategies, in line with the ILO and the UN Guiding Principles. Both businesses have established robust frameworks to prevent, identify, and remediate child labour risks throughout their operations and supply chains, supported by clear policies, ongoing monitoring and accessible grievance channels.

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[1] Suppliers that sell directly to an enterprise are known as its "Tier 1" or "direct" suppliers. "Tier 2" suppliers are direct suppliers to Tier 1 suppliers.

[2] We define a more sustainable, or lower impact material as one that has a reduced impact on the environment and society when compared to its conventional counterparts, which the C&A entities measure in ways compliant to their respective contexts.

[3] The C&A operations in Mexico and China were sold in 2023 and 2020 respectively.

i. Policies and contractual requirements

The codes of conduct of C&A Europe and C&A Brazil,[4] together with the corresponding Supporting Guidelines to the Code of Conduct (Merchandise Suppliers),[5] reflect their commitment to promoting compliance throughout their supply chains and business relations with the internationally recognised human rights standards described above. Suppliers are required to contractually commit to implementing and complying with the applicable Code of Conduct.

In line with these policies, neither C&A Europe nor C&A Brazil tolerate child labour; children below 16 years old must not be employed, other than as part of an apprenticeship or vocational training programme. Under the codes of conduct, suppliers must comply with all special protections for young workers between the ages of 16 and 18. Suppliers must take special measures to ensure that those young workers are protected from working conditions that are likely to endanger their health, safety or moral integrity, and/or that could harm their physical, mental, spiritual, moral or social development. This includes preventing young workers from performing hazardous work, from working at night and from working longer than permitted by law, and ensuring that they receive annual medical check-ups. C&A Europe and C&A Brazil expect their suppliers to adopt comparable standards within their own supply chains, including on child labour.

As noted in both codes of conduct, a grievance channel (Fairness Channel) is open to any individual or organisation that wishes to raise a concern about child labour (see section e. "Grievance mechanism").

ii. Risk management and monitoring

C&A Europe and C&A Brazil have both embedded child labour due diligence in their operations and risk management systems.

C&A Europe

C&A Europe's risk management system for child labour is embedded within its Human Rights Management System. Human rights management is a continuous and dynamic process that is integrated into every relevant department of the business. The Human Rights Management System is overseen by the Human Rights Governance Council, which reports directly to the C&A Europe Management Team.

For its own operations and its merchandise suppliers,[6] C&A Europe conducts an annual risk analysis that covers both an abstract and a concrete assessment of human rights and key

[4] C&A Europe Code of Conduct, and C&A Brazil Code of Conduct.
[5] C&A Europe Supporting Guidelines to the Code of Conduct (Merchandise Suppliers) and C&A Brazil Supporting Guidelines to the Code of Conduct (Merchandise Suppliers).
[6] Merchandise suppliers are defined as all direct suppliers and some Tier 2 suppliers.

environmental risks. The abstract analysis provides an understanding of the nature and severity of risks based on external sources, while the concrete analysis is based on non-compliance findings identified through ongoing monitoring, complaints and allegations.

Compliance with the C&A Europe Code of Conduct is regularly verified through Social & Labour Convergence Program (SLCP) assessments and audits conducted by local teams or designated third parties. Of the 532 production units active for merchandise suppliers at the end of the financial year, 98% were included in all of these monitoring processes during the last financial year. New production units require prior authorisation from C&A Europe, which depends on successful SLCP assessments or audits and on-site pre-visits[7].

In the event of **non-compliance** with the C&A Europe Code of Conduct, corrective actions are implemented, and follow-up visits ensure successful remediation. Local teams, trained in interview techniques to detect sensitive issues such as child labour, assist production units in building capabilities, including establishing age verification systems. If child labour is detected, orders are suspended until full compliance is achieved. Severe cases result in production being shifted to another supplier. C&A Europe's remediation process requires suppliers to transition affected children into paid education programmes, in accordance with OECD recommendations, and to partner with local NGOs in key risk countries.

Beyond merchandise suppliers, the supply chain steps for C&A Europe include fabric and spinning mills, yarn production, ginning, and raw materials production (see Annex II). The annual abstract risk analysis described above includes analysing these supply chain steps in every country where production takes place. The risk assessment for these tiers includes reviewing past complaints and any indications of child labour, if any occurred in the past financial year.

Based on latest risk indications, child labour is considered a potential risk in deeper tiers. To mitigate this, C&A Europe expects all suppliers, regardless of their position in the value chain, to adhere to the same standards. Child labour risks are considered when selecting certification schemes for raw materials, such as cotton, or on-the-ground partners.

C&A Europe requires its strategic fabric and yarn suppliers to sign the C&A Europe Code of Conduct. This means that those suppliers must follow the child labour remediation process described above if any specific indications of child labour emerge, for instance, based on reports through the grievance channel.

C&A Brazil

Child labour identification and assessment are part of C&A Brazil's risk management system. This includes regular audits, supplier assessments, and a rigorous supplier selection process. The Sustainable Supply Chain team oversees the child labour risk management system and reports to the Internal ESG Committee, which advises the Executive Board on ESG matters.

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[7] Pre-visits are a preventive measure within C&A Europe's authorisation process for new production units, consisting of on-site visits by C&A Europe's social compliance staff in addition to Social & Labour Convergence Program (SLCP) verification.

For its own operations, C&A Brazil has implemented strict controls within its Human Resources department to ensure compliance with its internal policy prohibiting the employment of individuals under the age of 16. At the time of hiring, documentation verifying minimum age requirements is reviewed. In addition, Human Resources teams receive regular training to ensure ongoing compliance with child labour regulations and applicable legislation.

For merchandise suppliers, the Sustainable Supply Chain team at C&A Brazil manages a supplier monitoring programme to evaluate suppliers and their subcontractors on various human rights topics, including child labour. The programme ensures full annual audit coverage across the supply base, with all suppliers audited at least once per year. Audit frequency increases to up to three times annually for suppliers identified as higher risk, based on assessment outcomes and non-compliance findings.

For factories in Brazil, C&A Brazil conducts audits through its own audit team and third-party certifiers on behalf of the Brazilian Textile Retail Association (ABVTEX). The approval process for new suppliers includes audits managed by the Sustainable Supply Chain team. For factories in other regions of South America, monitoring is exclusively carried out by the Sustainable Supply Chain team. For factories in other countries, audits are conducted by C&A Sourcing or evaluated based on information from programmes such as the Social & Labour Convergence Program (SLCP). Onboarding new factories requires an approval process that considers these audits or assessments evaluated by C&A Sourcing.

In case of **non-compliance** with the C&A Brazil Code of Conduct, suppliers are required to develop an improvement plan. For egregious violations, including but not limited to child labour, C&A Brazil reserves the right to terminate the business relationship with the supplier, including the cancellation of outstanding orders.

If child labour is detected, orders are suspended until full compliance is achieved. The Regional Manager Sustainable Supply Chain is responsible for ensuring timely and appropriate remediation. C&A Brazil’s remediation process requires suppliers to transition affected children into education programmes, provide monthly minimum wage payments until they reach the legal minimum age, conduct health screenings, and cover transportation, accommodation and school fees.

Beyond merchandise suppliers, C&A Brazil’s supply chain includes fabric and spinning mills, yarn production, ginning and raw materials production (see Annex II). C&A Brazil’s annual analysis of human rights and environmental risks extends to these supply chain steps in all countries where these production processes are established within the scope of monitoring.

Based on the risk analysis, child labour is considered a potential risk in deeper tiers. To mitigate this, C&A Brazil expects all suppliers, regardless of their position in the value chain, to adhere to the same standards.

Since 2023, C&A Brazil has mapped and audited 32% of the production units beyond merchandise suppliers to assess compliance with the requirements of the Code of Conduct, representing an increase of 8 percentage points in 2025. All these units are located within Brazil and adhere to the same risk management system as direct suppliers.

iii. Supply chain traceability

Both C&A Europe and C&A Brazil systematically record the names and addresses of all their suppliers down to Tier 3. For each purchasing order, direct suppliers are required to provide details of the production processes used at deeper tiers. Further, both C&A organisations are actively working on improving supply chain traceability by mapping suppliers further down the supply chain. This ongoing effort will enhance the monitoring of child labour risks across deeper levels of the supply chain, guided by priorities identified in their respective annual risk analyses. C&A Brazil, for instance, is piloting blockchain technology for denim products to track the supply chain from cotton producers to retailer.

iv. Grievance mechanism

Both C&A Europe and C&A Brazil maintain grievance channels (Fairness Channel) through which anyone, whether a worker, employee, supplier, business partner, representative of a civil society organisation or another informant, can provide anonymous information about violations or risks relating to child labour, either in C&A's own business operations or in the operations of suppliers.

The fairness channels can be accessed online, and the information provided is kept confidential. Wherever feasible, the whistleblower or person who makes the complaint will be involved in the process of determining appropriate remedial or preventive measures.

v. Remediation approach

If a violation is confirmed, C&A Europe or C&A Brazil will immediately demand appropriate remedial action to halt or mitigate the violation. When a risk is identified, preventive measures are put in place according to established risk prioritisation criteria. The whistleblower or person who made the complaint is kept informed of what decisions and actions are taken. The fairness channels are a key element in the integrated human rights risk management system employed by C&A Europe and by C&A Brazil.

vi. Findings and corrective actions regarding child labour

C&A Europe

In 2025, C&A Europe identified isolated instances of child labour involving individual cases at two authorised production units in its supply chain, located in China and Cambodia. The cases were identified through unannounced monitoring visits conducted by C&A Europe's social compliance team. In both incidents, C&A Europe's child labour remediation process was implemented promptly in accordance with its Code of Conduct and Supporting Guidelines. The affected children were transitioned into education programmes with the support of local partner NGOs. In Cambodia, the partner NGO also delivered training at the factory to strengthen recruitment procedures and age verification systems in order to prevent recurrence. This training also addressed compliance requirements relating to the employment conditions of workers aged between 16 and 18.

Through its preventive authorisation process for new production units, including on-site pre-visits by C&A Europe's social compliance staff, before they entered its supply chain, C&A

Europe identified child labour at two production units in Cambodia and Bangladesh and engaged appropriate partners to support remediation. No business relationship was established until remediation measures had been addressed, with follow-up conducted where relevant.

C&A Europe maintains a comprehensive record of countries where child labour has been detected through audits and assessments, or where a heightened risk of human rights infringements is reported. These records inform ongoing risk prioritisation and help determine whether additional preventive or remedial measures are required. C&A Europe's approach is aimed at managing the risk of child labour effectively and ensuring that the rights and wellbeing of children and workers in its supply chain are respected.

C&A Brazil

In 2025 no instances of child labour were identified.

6. COFRA Group progress in 2025

Regardless of whether there are reasonable grounds to suspect child labour in the supply chains or not, COFRA businesses strengthened human rights commitments and supply chain transparency during 2025. Highlights include:

C&A Europe implemented several measures to further strengthen its child labour due diligence framework, building, among other things, on lessons learned from previous due diligence outcomes. These measures include:

- Introducing pre-visits in addition to third-party assessments, for production units proposed by suppliers in higher-risk scenarios, to strengthen early risk detection and reduce the likelihood of non-compliant facilities entering the supply chain.
- Updating the Undisclosed Production Policy[8] to introduce stronger consequences for severe violations.
- Applying stricter criteria for suppliers with Bangladeshi production units without the local presence of supplier management.
- Launching a human rights due diligence pilot with C&A's partner CottonConnect in selected cotton ginning mills within the organic cotton supply chain. The pilot includes an assessment of salient human rights risks at the mills, training for workers on their rights and for mill management on human rights due diligence, and the development of mitigation plans. While broader in scope, potential child labour-related risks are included among the scenarios assessed.
- Enhancing supply chain transparency and vigilance through improved data quality and on-the-ground monitoring capacity, including more frequent and unannounced visits by C&A social compliance experts.

[8] Undisclosed Production Rules, specifying the set of consequences for upstream merchandise suppliers that shift production for C&A to a production unit that has not been authorized for production by us before.

C&A Brazil continued to strengthen its monitoring processes. These measures include:

- Implementing automated checks of publicly available records of forced and child labour convictions, including the *Lista Suja*[9] published by the Brazilian Ministry of Labour and Employment. These checks are conducted through a supplier background screening tool and provide additional intelligence to complement the existing audit-based monitoring system.
- Sharing the revised Code of Conduct, introduced in the previous year, with suppliers, where it continues to form the basis of supplier oversight and compliance expectations.

Redevco continued strengthening the integration of human rights within its governance and operations. Its updated Code of Conduct, reflecting the company's commitment to respecting human rights, is now appended to all construction agreements, and suppliers engaging with Redevco are assessed against salient human rights issues as set out in the Redevco Code of Conduct. In addition, Redevco conducted a salience-mapping exercise and developed a Human Rights action plan for 2025-2026, with initial implementation steps already underway.

Sunrock continued conducting social audits on its Tier 1 suppliers in 2025. During the year, seven third-party audits were carried out, compared with two in 2024, and these audits included assessments of the potential presence of child workers on site. The company further strengthened supply chain transparency through Open Supply Hub, increasing the number of disclosed supplier locations from 179 to 301, representing a 68% increase in visibility compared with 2024. In addition, through its EPC contracts Sunrock now requires suppliers to provide evidence demonstrating that products used in its projects are not made with forced labour.

Dalsem conducted stakeholder engagement activities and an ESG-readiness assessment to identify relevant environmental, social and governance impacts, risks and opportunities.

More broadly, COFRA's investment businesses (**Anthos, Bregal and Redevco**) have continued to advance their human rights risk assessments. Child labour is part of the scope of this work.

[9] Brazilian Ministry of Labour and Employment, "Lista Suja" (Register of Employers involved in slave-like labour conditions).

Annex I | Risk assessment of COFRA businesses

Bregal Investments

Bregal is a global investment platform that works with, and builds, leading private markets teams. With over €20bn in assets under management, Bregal provides capital, expertise and infrastructure from incubation and seeding to primaries, co-investments and secondaries, investing in private equity, growth, private credit and impact with a long-term, responsible approach.

Bregal Investments' risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in the operations of Bregal Investments. The activities of the portfolio companies of Bregal are not part of COFRA Group and are not consolidated in COFRA's reporting.

Redevco

Redevco is a European urban real estate specialist with a stated commitment to building value for investors and enriching communities through transformative real estate. Redevco's risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in Redevco's own operations or among its Tier 1 suppliers.

Anthos Fund & Asset Management

Anthos Fund & Asset Management offers its clients comprehensive values-based asset management and investment advisory services. It does this by responsibly managing capital in line with the values of sustainability, human dignity and good corporate citizenship, underpinned by robust responsible and impact investment principles. Anthos Fund & Asset Management does not offer products or services that require physical inputs.

Anthos Fund & Asset Management's risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in its operations. The activities of the investments of Anthos Fund & Asset Management are not part of COFRA Group and are not consolidated in COFRA's reporting.

Sunrock

Sunrock is helping to create a clean energy future for Europe. With operations in Germany, France, Belgium and the Netherlands, Sunrock develops, finances and manages large-scale commercial rooftop solar projects. The company offers one-stop renewable energy solutions for clients that are typically commercial real estate developers and users or public institutions. Sunrock's risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in Sunrock's own operations or among its Tier 1 and 2 suppliers.

Sustainable Food Group

The Sustainable Food Group comprises Dalsem and Ontario Plants. Its operations focus on encouraging the adoption of a system that is capable of providing nutritious and more sustainably produced food for an ever-growing population. This group includes businesses related to the Controlled Environment Agriculture sector, which typically uses less land, water, fertiliser and pesticide than traditional open-field methods.

Dalsem develops high-tech greenhouse projects worldwide that yield the highest quality and quantity of products in the shortest time. A Dutch greenhouse producer by origin, it has developed a strong international focus.

Dalsem's risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in its operations, nor in its Tier 1 suppliers.

Ontario Plants is one of the leading suppliers in North America of high-quality starter plants for hydroponic and organic greenhouse growers. It is the preferred supplier of starter tomatoes, peppers and cucumbers for leading growers throughout Canada and the United States.

Ontario Plants's risk assessment, conducted in line with the Swiss regulation, concluded that no reasonable grounds exist to suspect child labour in its operations, nor in its Tier 1 suppliers.

Beyond the scope of the risk assessments (i.e. raw materials)

COFRA Group businesses carried out their risk assessments using supplier-specific information, covering the businesses' own operations and their Tier 1 suppliers and for certain businesses Tier 2 suppliers, as described in the Approach to risk assessment (see section 3 above).

Beyond that scope, the deeper tiers of the supply chains can be analysed only through general sector reports. While such reports do not represent the COFRA businesses' specific supply chains, they highlight that some of the materials used by COFRA's businesses potentially carry a risk of child labour, i.e. at the mining level in raw material commodity supply chains in certain countries (for instance regarding the iron used in steel for buildings, greenhouses or mounting structures for solar panels).

Annex II | Supply chain C&A