

COFRA Consolidated Report on Child Labour Due Diligence 2024

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 2024 to 31 December 2024. As described below, during that time COFRA 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.

Contents

1. About COFRA.....	3
2. COFRA’s commitment to human rights	3
3. Approach to risk assessment	4
4. Outcome of the risk assessments.....	4
5. Progress in 2024	4
6. Child labour due diligence for C&A	5
a. Progress in 2024	5
b. Applicable policies	5
c. Supply chain risk management system	6
d. Supply chain traceability system.....	9
e. Grievance mechanism	9
Annex I Risk assessment of COFRA businesses.....	11

1. About COFRA

COFRA Holding AG (“COFRA”) is the parent entity of a privately held group of companies active in various business sectors, including asset management (Anthos Fund & Asset Management), private equity (Bregal), apparel retail (C&A), real estate investments (Redevco), renewable energy (Sunrock) and sustainable food (Dalsem, Ontario Plants). Headquartered in Switzerland, the group employs more than 60,000 people across its business operations in Europe, the Americas and Asia. Each business operates in a spirit of engaged entrepreneurship while striving to be a “force for good” in the world – a guiding principle that has characterised the Brenninkmeijer family owners’ activities for six generations, since the founding of C&A in 1841.

COFRA’s businesses operate in industries that are able to contribute to a more just and sustainable world. They support systems transitions towards liveable cities, a more circular production and consumption system, cleaner energy and sustainable food, underpinned by the move towards more responsible capital.

For more information, see www.cofraholding.com.

2. COFRA’s commitment to human rights

COFRA Group (i.e. COFRA and its businesses) monitors the impact that its activities have on people. It 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 identify, evaluate and address actual and potential adverse human rights impacts throughout their value chains.

In accordance with the UN Guiding Principles, most of COFRA’s 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 – and are 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 responses and communicate the outcomes both internally and externally. Engaging with stakeholders is an integral part of this process.

With active support from COFRA, two businesses are currently in the process of developing policies and processes. COFRA actively engages with all 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. Approach to risk assessment

COFRA and its businesses apply a risk-based approach to identify any reasonable grounds to suspect child labour in each of the businesses' 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 leverages the UNICEF Children in the Workplace Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, as well as reports on child labour issued by other international organisations and reputable NGOs. Supplier-specific child labour risk assessments are used to identify any reasonable grounds to suspect child labour.

The risk assessments cover the businesses' own operations and their Tier 1¹ suppliers, and for some businesses their Tier 2 suppliers, as far as is possible given the available data.

4. Outcome of the risk assessments

The risk assessments carried out by the individual 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. Both C&A Europe and C&A Brazil have been working to mitigate child labour risk for many years as part of their human rights strategy, in line with the ILO and the UN Guiding Principles.

5. Progress in 2024

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 2024. Highlights include:

Redevco published its [Human Rights Policy](#), grounded in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Human Rights Policy underlines Redevco's commitment to preventing child labour in its operations and supply chain. Redevco also updated its [Supplier Code of Conduct](#) to ensure higher standards of fairness, transparency and accountability. Additionally, a whistleblowing mechanism was implemented, allowing employees and stakeholders to report concerns safely.

Sunrock has been conducting social audits on its Tier 1 suppliers. In 2024, two third-party audits were performed, which also included an assessment of the potential presence of child workers on site. In 2025, Sunrock will extend these audits to all its Tier 1 suppliers. Sunrock has updated its [Supplier Code of Conduct](#) to meet the requirements set by EU legislation and the German Supply Chain Due Diligence Act. The revised version provides clearer expectations and introduces new topics such as living wages, sanctions and trading regulations, while strengthening language on the prohibition of forced labour and child labour in supply chains. The company has increased its data transparency by 80% through Open Supply Hub (from 99 to 179 suppliers' locations) and makes its supplier list publicly available. Solar park construction

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 one suppliers.

workers now have access to the Sunrock Speak Up system, allowing them to report concerns safely.

6. Child labour due diligence for C&A

C&A is a global apparel retailer with a history stretching back to 1841. It sells quality and – increasingly – sustainable fashion at affordable prices, both in its brick-and-mortar stores and online. COFRA owns C&A Europe and has a majority stake in C&A Brazil. Both are independent operations and are covered by this report.²

a. Progress in 2024

C&A Europe now mandates merchandise suppliers to provide detailed information for each order, including the production units involved in previous stages up to Tier 3. The company is advancing the traceability of its organic cotton by using the Haelixa DNA tracker to trace cotton fibres throughout the supply chain. Each country with a risk indication of child labour are covered by a C&A social compliance programme, which includes well-trained local C&A staff visiting each Tier 1 and parts of Tier 2 at least once a year.

C&A Brazil revised its Code of Conduct to better align with the standards set by the OECD, the UN Guiding Principles, and the ILO. Local direct suppliers are now required to report the production units involved in manufacturing activities (Tiers 1, 2 and 3) for each purchase order. C&A Brazil continues to hold annual workshops for suppliers and is updating its system to capture traceability data across Tiers 1, 2 and 3. Dedicated audits verify data accuracy. The company continues to evaluate and monitor suppliers and production processes, expanding its focus to include a broader range of prioritised yarn and fabric production units.

b. Applicable policies

The codes of conduct of C&A Europe and C&A Brazil,³ together with the corresponding Supporting Guidelines to the Code of Conduct (Merchandise Suppliers),⁴ reflect their shared 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, as required by applicable laws. Suppliers must take 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

² The C&A operations in Mexico and China were sold in 2023 and 2020 respectively.

³ C&A Europe [Code of Conduct](#), and C&A Brazil [Code of Conduct](#).

⁴ C&A Europe [Supporting Guidelines to the Code of Conduct \(Merchandise Suppliers\)](#) and C&A Brazil [Supporting Guidelines to the Code of Conduct \(Merchandise Suppliers\)](#).

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”).

c. Supply chain risk management system

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

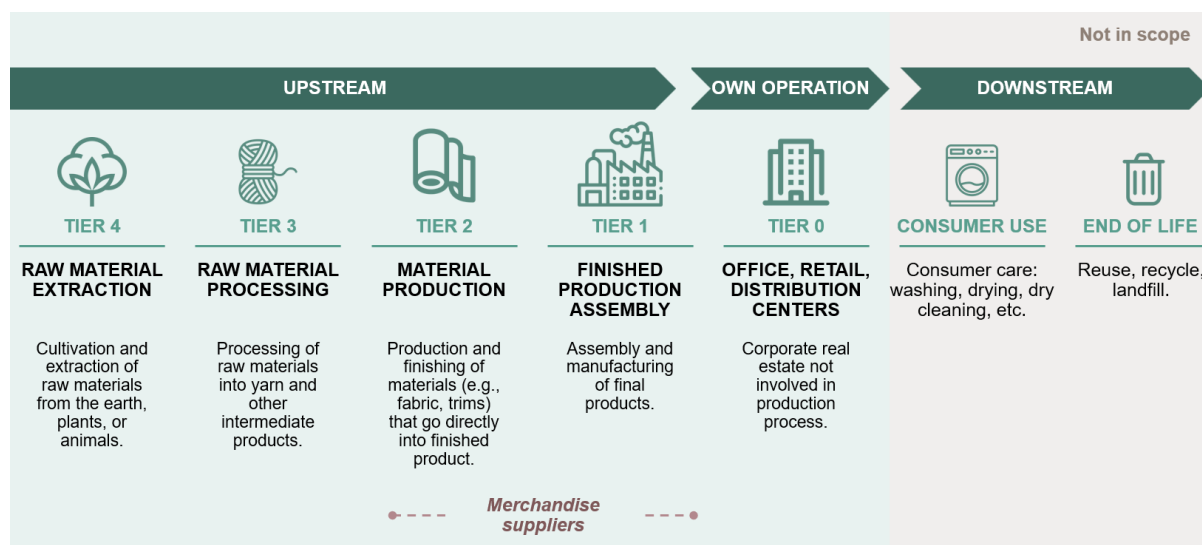


Figure 1 Supply chain C&A

C&A Europe

C&A Europe’s risk management system for child labour is embedded in its overall Human Rights Management System. Human rights management is a continuous and dynamic process integrated into every relevant department of its 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,⁵ C&A Europe conducts an annual risk analysis that covers both an abstract and a concrete analysis of human rights and key environmental risks. The abstract analysis provides an understanding of the nature and severity

⁵ Merchandise suppliers are defined as all direct suppliers and some Tier 2 suppliers.

Understanding the risk assessment approach

For C&A Europe's merchandise supply chain, the *abstract risk analysis* provides an understanding of the nature of the risks that C&A Europe faces and how prevalent and severe they are, based on external sources.

The *concrete risk analysis* is based on non-compliance findings identified at production units in C&A Europe's actual supply chain, using its ongoing monitoring system as well as complaints and allegations brought to C&A Europe's attention. The review aggregates what type of issues were identified, at which tier levels and in which countries, and whether they have been remediated in accordance with C&A Europe's policies for suppliers. The purpose is to identify whether any processes need to be updated to ensure that child labour is prevented or remediated effectively. These analyses in conjunction help C&A Europe to establish the actual risk level, define risk priorities, identify areas that require attention and assess the effectiveness of its risk mitigation measures.

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 Code of Conduct is regularly checked through verified Social & Labour Convergence Program (SLCP) assessments and audits conducted by local teams or designated third parties. Of the 647 production units of merchandise suppliers, 88% were covered by these monitoring processes during the last financial year.⁶ New production units require prior authorisation from C&A Europe, contingent on successful SLCP assessments or audits.

In the event of non-compliance with the Code of Conduct, corrective actions are implemented, and follow-up visits ensure successful remediation. Local teams, trained in interview techniques to detect sensitive issues like child labour, assist production units in building capabilities, such as 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 partnering 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 Figure 1). 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 past complaints and indications of child labour, if any occurred in the past financial year.

Based on last year's 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 risk is often included

⁶ During the financial year, the social compliance team suffered from a reduced headcount, leading to limited assessment capacity. The headcount has since been increased.

in the sustainability criteria for the selection of raw materials, such as cotton, and is used in selecting certification schemes or on-the-ground partners.

C&A Europe requires its strategic fabric and yarn suppliers to sign the 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.

Findings regarding child labour

In 2024, C&A Europe identified one case of child labour involving three children at an unauthorised production unit in Bangladesh. This unit had been subcontracted by a supplier in contravention of C&A Europe's policies. The case has since been remediated in accordance with C&A Europe's Code of Conduct and Supporting Guidelines. For each child, educational arrangements were made with the support of local partner NGOs. Following this incident, C&A Europe decided to cease accepting any further production from this supplier's production units in Bangladesh.

As a key learning from this case, C&A Europe will assess how suppliers operating in Bangladesh — particularly those without their own offices in the country — monitor their production units, including measures to prevent unauthorised subcontracting.

C&A Europe maintains a comprehensive record of countries where child labour has been detected through audits and assessments, or where a risk of human rights infringements is reported. These records help to determine whether additional actions are needed to prevent and/or remediate child labour effectively. C&A Europe's approach is aimed at managing the risk of child labour in its supply chain effectively and ensuring that the rights and wellbeing of all workers involved are respected.

C&A Brazil

Child labour identification and assessment is 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.

For its own operations, C&A Brazil has implemented strict controls within its Human Resources department to ensure compliance with its internal policy of not hiring minors under the age of 16.

For merchandise suppliers, the Sustainable Supply Chain team at C&A Brazil manages a supplier monitoring programme, through which it carries out audits one to three times per year to evaluate suppliers and their subcontractors on various human rights topics, including child labour. 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 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 Figure 1). 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. Child labour risk is included in the sustainability criteria for the selection of some raw materials, such as cotton, and is frequently used in selecting certification schemes or on-the-ground partners.

Since 2023, C&A Brazil has mapped and audited 24% of the production units beyond merchandise suppliers to assess compliance with the requirements of the Code of Conduct. All these units are located within Brazil and adhere to the same risk management system as direct suppliers.

Findings regarding child labour

In 2024 no instances of child labour were identified.

d. Supply chain traceability system

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 block chain technology for denim products to track the supply chain from cotton producers to retailer.

e. 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.

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.

Annex I | Risk assessment of COFRA businesses

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.

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.

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.

Bregal Investments

Bregal Investments is a global diversified private equity firm that provides a platform for four direct investment teams and a fund-of-funds team across the US and Europe. Bregal invests in sensibly run companies and funds with sound business models, robust business integrity and an ability to have positive societal and environmental impact. Bregal Investments does not offer products or services that require physical inputs.

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.

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).

COFRA's businesses are adding ESG requirements (including prohibitions on using child labour) to their supplier codes of conduct and supplier agreements to address these issues in deeper supply chain tiers as well.