

CCX believes that we have a responsibility to all our workers, which includes those in our supply chain, to enjoy a safe and healthy working environment free of any form of exploitation.

As we navigate through this global COVID-19 pandemic, we continue to place great importance on all our ethical trade policies and responsible sourcing practices. We believe that workers have a right to a decent working life that pays them a fair and liveable wage, and we want to give workers, no matter how deep they are in the supply chain, the opportunity to have a voice.

In support of the COVID-19 Fashion Commitments, we join leading brands to endorse the following Six Commitments within our supply chain:

1. Support workers' wages by honouring supplier commitments

From the start of the COVID-19 pandemic, CCX has worked closely with suppliers to honour purchase orders that have been produced or were already in production. We also understood we were responsible for any materials already produced and we have worked collaboratively with our partners to reprioritise the production plan and to pay for all orders to agreed terms. We understand the disruptions experienced by some of our factories are not, or were not, in our control nor in the control of our factories, and we have worked together to achieve realistic delivery dates and turnaround times.

While we, like all businesses, continue to closely monitor and respond to the impacts of COVID-19 on our business, employees, customers and other stakeholders, the support of our customers and the strength of our online business has allowed us to instruct our factories to continue to produce orders. Along with the advantage of also having a northern hemisphere and southern hemisphere business, where we could, we redirected inventory to our other channels to stay seasonally relevant to our customers, in order to minimise finished goods being held in the factory longer than needed.

2. Identify and support the workers at greatest risk

CCX primarily sources and produces product in China. We understand there is risk to workers in the supply chain, particularly those based in the Hubei Province where the outbreak first started, which experienced longer factory closures. 90% of our factories are based outside this region, and these factories were all able to re-open post the extended Chinese New Year break and workers were able to return to work. By maintaining open dialogue with all our partners, we were updated frequently on the progress of workers returning to work. We understand that workers that were outside the Province they work in, were allowed to travel back to their factories, after health checks and testings, to resume their roles.

As we work with smaller scale factories, we have been able to keep orders and demand running. This in turn created the demand for workers to return to work again as soon as government regulatory processes were met.

We believe the greater risks of vulnerable workers lies beneath our garment factories and in the next layers our supply chain, where it is becoming increasingly difficult to access and define these layers with restrictions on travel and restrictions on persons outside the organisation entering these sites due to health concerns.

3. Listen to the voices and experience of workers

Our worker hotlines and grievance mechanisms play an important role in this current environment, as it is a means for workers to have a voice. We will continue to promote our worker voice tools so that workers feel they have a safe and effective line to share their experiences or grievances.

Our Social Audits, conducted by our 3rd party auditors, will continue to conduct worker interviews and monitor and trace worker payments and living wage calculations.

4. Ensure workers' rights and safety are respected

We recognise that through this experience there could be heightened risks of poor labour practices, however we remain committed to working with all our partners to seek to ensure workers enjoy a safe and responsible work environment.

Our factories have been proactive in setting up their workspaces to avoid overcrowding and to keep some form of distance between workstations. We work with factories that have developed anti – virus strategies to protect their workers and all factories have had to meet their local regulations in order to re-open.

Examples of safety measure put into place include:

- Regular and thorough cleaning in the factory
- Communal areas have been re-engineered to promote social distancing
- PPE has been provided and is required to be used whilst in the factory
- In high risk cities or regions, factory owners have organised bus transportation for their workers to and from the factory, to limit exposure to external contacts outside the factory.

We do not support a factory lock down once all workers are on the premises as a means of ensuring workers are not exposed to COVID-19. It is important that all workers must have freedom of movement and are not to held within any factory unwillingly. Factories have the right to limit any external party entering the complex, but they must allow their workers to exit if they wish.

5. Collaborate with others to protect vulnerable workers

At CCX we are committed to external stakeholder engagement and collaborating with strategic partners to help us understand and respond to the emerging risks resulting from this global pandemic.

We know there is heightened risks to the most vulnerable in our supply chain, and there could be emerging blind spots that we may not have considered as a result

COVID-19, and we actively engage with NGO's and other businesses to expand our knowledge of these issues and build our awareness.

As we cannot currently visit our factories ourselves, we are working closely with our partners in the supply chain and our 3rd party quality and audit teams so that we continue to maintain some visibility into, and report on, our factories and supply chain practices.

6. Build back better for workers and the world

Whilst we know there will be challenges ahead, we also see the current environment as an opportunity to continue our efforts in ethical supply chain management and to rebuild better supply chains for a longer-term sustainable future for all of us. We remain committed to being transparent and working responsibly with all our partners and factories.

Through a robust Ethical Trade Program, we will continue to enhance, communicate, and embed our core policies throughout our supply chain which include but are not limited to:

- Vendor Code of Conduct
- Rules of Engagement
- Factory Onboarding Checklists
- Ethical Sourcing Policies which include our Human Rights, Environmental and Animal Welfare policies
- Worker Voice programs
- Audit and remediation

We acknowledge that to influence real systemic change we cannot do it on our own and we need to collaborate with our partners, community, and other businesses.

As the COVID-19 global pandemic continues to develop, we understand we must continue to review our actions and how we support the most vulnerable in our supply chain. We know we do not hold all the answers to these complex issues, but we are committed to continue to learn, act, and respond to the urgent risks that arise accordingly.