

## **FAST RETAILING Group**

### **Code of Conduct for Production Partners**

At FAST RETAILING, we are committed to creating truly great clothing and bringing joy of wearing clothes to customers all over the world. The concept of providing truly great clothing includes maintaining integrity, respecting human rights and caring for the environment in every aspect of our business activities. We believe in the importance of ensuring decent working environments and sustainability throughout the manufacturing process of our products. This code sets the following minimum standards to be met by all manufacturers involved in manufacturing FAST RETAILING Group companies' products, accessories of our products and items related to our products, i.e. our production partners.

#### **Legal Requirements**

Production partners must comply with all applicable local and national laws, legal requirements, and applicable treaties in the country or countries in which they operate (hereinafter referred to as "Laws"). To maintain uniform standards for decent working environments and sustainability, FAST RETAILING may set requirements that go beyond the standards of Laws. Where there are differences or conflicts with this document and Laws, the higher standard shall prevail.

#### **Child Labor**

Production partners shall not use child labor. The term "child" is defined as a person either younger than the age of 15 (or 14 in accordance with exceptions under ILO Convention 138), or younger than the legal minimum working age (if such a legal standard has been set), whichever age is higher. Production partners shall maintain documentation to verify the age of all workers. In those countries where official documents are not available or reliable, production partners shall establish appropriate and consistent methods to confirm the worker's age. When employing workers, production partners shall comply with all Laws related to workers under the age of 18, and also Laws related to apprentices and learners. Workers under the age of 18 shall not work under hazardous conditions or during night shifts.

#### **Forced Labor**

Production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking.<sup>1</sup> Workers

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<sup>1</sup> Production partners shall refer to the *Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery (1957)* for the definitions of "slavery" and practices "similar to slavery", the *Protocol to Prevent, Suppress and Punish Trafficking in Persons,*

shall not be required to submit original personal legal documents or make deposits of any kind at any time during the recruitment and employment process. Workers' freedom of movement shall not be restricted in either their workplace or living quarters.

### **Coercion and Harassment**

Production partners must treat all workers with respect and dignity. Production partners shall not use corporal punishment or any forms of coercion. Production partners shall not engage in or permit any forms of abuse, including physical, verbal, or psychological abuse, or any forms of harassment, including sexual harassment. Production partners shall have a written system of progressive discipline, e.g. the application of escalating disciplinary action from verbal warnings to suspension and finally to termination.

### **Discrimination**

Production partners shall employ workers on the basis of their ability to do the job. Production partners shall not discriminate against workers on the basis of race, gender, color, nationality, religion, age, maternity, marital status, social or ethnic origin, sexual orientation, political opinion, disability, affiliation, non-affiliation, or any other status.

### **Health and Safety**

Production partners shall provide all workers with a safe and healthy environment, ensuring proper health and safety management; building and fire safety; safety of machinery and equipment; access to potable water and suitable sanitary facilities; and safe handling of chemicals. The same standards shall also apply to housing for workers.

### **Freedom of Association**

Production partners shall respect the right of workers to associate, organize, and bargain collectively in a legal and peaceful manner without penalty, interference, or coercion, and in accordance to the Laws. In addition, production partners shall implement grievance mechanisms to allow all workers to confidentially communicate concerns to the production partner's management and the worker representative without the risk of retaliation.

### **Wages and Benefits**

Production partners shall furnish wages and benefits, make monetary deductions, and provide workers with employment contracts in compliance with all applicable Laws. Production

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*especially Women and Children (2000) for the definition of "human trafficking," and International Labour Organization Convention No. 29 for the definition of "forced labor."*

partners shall also maintain wage-related documentation. No monetary deductions shall be permitted for disciplinary action.

### **Working Hours**

Production partners shall comply with working hour limits established by applicable Laws, but under no circumstances shall total weekly working hours exceed 60 hours per week. Production partners shall provide workers with at least one day off in seven. Production partners shall also maintain accurate time-in/out records of each worker. Overtime must be voluntary and compensated at a premium rate.

### **Environmental Protection**

Apart from complying with all applicable environmental Laws , production partners should strive to improve their environmental performance by meeting the requirements set by FAST RETAILING – requirements that may go beyond applicable environmental Laws.

### **Documentation and Communication**

Production partners shall establish and maintain management systems and internal rules that ensure compliance with all the requirements in this code of conduct. Such rules shall be communicated to all management and workers. The management systems may include policies and procedures for risk assessments, training, performance measurement, accountability and documentation.

### **Monitoring and Compliance**

Production partners must allow FAST RETAILING and its designated agents to access all workers, all facilities, including manufacturing and worker housing facilities, and relevant documents to confirm compliance with the code of conduct, with or without notice provided in advance.

### **Corrective Action**

When violations are found, FAST RETAILING and the production partner will agree on a corrective action plan that eliminates the problem within a reasonable timeframe. If it is found that a production partner violates this code of conduct, FAST RETAILING will take actions, which may include immediate cancellation of orders and/or termination of business with the production partner.

### **Subcontractors and Homeworkers**

When production partners subcontract production orders submitted by any FAST RETAILING

group company to subcontractors or homeworkers, such production partners shall ensure that all the business activities by the subcontractors or homeworkers are in accordance with this code of conduct and shall cause all of them to comply with this code of conduct on production partners' responsibility. Any use of subcontractors or homeworkers by production partners shall be reported to FAST RETAILING prior to their engagement.

**Transparency and Integrity**

FAST RETAILING expects all business with our production partners to be carried out in an ethical and transparent manner. FAST RETAILING does not tolerate any forms of unethical behavior, including bribery, concealment or falsification of records, or influencing workers to mislead FAST RETAILING and its designated agents.