



Policy information

Information on the Fast Retailing definition and commitment to a living wage

Fast Retailing defines living wage in its Code of Conduct as wages that meet workers' basic needs and provides some discretionary income. Further, it is committed to taking action that will help ensure compensation levels that meets this definition.

Reference:

FR Code of Conduct on Wages & Benefits: Production partners shall furnish wages and benefits, make monetary deductions, and provide workers with employment contracts in compliance with all applicable Law. Production partners shall also maintain wage-related documentation. No monetary deductions shall be permitted for disciplinary action.

Production partners shall recognize that each worker has a right to wages that meet the worker's basic needs and provide some discretionary income. Such wages shall be equal or better than the higher of minimum wage or the prevailing industry wage. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Fast Retailing and other organizations to take appropriate actions that seek to progressively realize a level of compensation.

Full Code of Conduct for business Partners available here:

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

Information on the Fast Retailing Responsible procurement policy

Fast Retailing has formulated guidelines for responsible procurement in our supply chain. We work with our partner factories to engage in production activities according to these guidelines.

The Fast Retailing procurement policy consists of three main principles:

- 1) We protect the health, safety, human rights, and rights guaranteed by law for workers at partner factories, contributing to improved living and labor conditions.
- 2) We encourage the growth of our partner factories by expanding our transaction volume steadily over time.
- 3) We meet customer expectations through products manufactured via appropriate processes.

Further, we provide regular training to employees in our production-related departments, covering these guidelines and other matters.

Our Living Wage actions

Fast Retailing is a member of the Fair Labor Association, which established a commitment to fair compensation in 2015. The FLA uses compensation data collection methodology derived from the Ankers' methodology (of the Global Living Wage Coalition). The FLA's fair compensation work is unique, as it does not commit to define one living wage, but takes into account other organizations' expertise in setting living wage benchmarks.

Fast Retailing's membership with the FLA means we are partnering with a world-leading organizing on the topic of labor to fully understand the compensation data and to understand how solutions can be implemented to address any gaps we identify.

Fast Retailing uses benchmarks from FLA's Fair Compensation Work described in Appendix B: Compensation Benchmarks Guidelines.

http://www.fairlabor.org/sites/default/files/documents/reports/toward_fair_compensation_in_global_supply_chains_2016_report_with_appendices_0.pdf

To monitor our suppliers' commitment to fair compensation, we also collect some anonymous wage data through the FLA's Wage Data Collection Tool Kit.

<http://www.fairlabor.org/global-issues/fair-compensation/tools-for-companies>

Fast Retailing is currently analyzing the data collected towards the benchmark.