



TAKKO

CODE OF CONDUCT

Taking responsibility for our corporate activity is an important pillar of our company's policy. It is our view that in a global economy social responsibility of international companies is not only restricted to sales markets but must also apply in all regions where they operate, wherever possible.

We take the subject of working conditions and social responsibility very seriously at home and abroad.

Therefore Takko Fashion joined the Fair Wear Foundation, the Accord on Fire and Building Safety in Bangladesh and is signatory of the partnership for sustainable textiles.

Takko Fashion is committed to:

- a standard of excellence in every aspect of the business and in every part of the world,
- ethical and responsible management in all operations,
- respect for the rights of all individuals,
- respect for the environment and
- compliance with building and fire safety.

Consistent with our brand values we expect the same commitments to be shared by all suppliers and producers of Takko Fashion products ("business partners") and that they conduct themselves with the utmost fairness, honesty and responsibility in all aspects of their business.

01 FAIR LABOUR CONDITIONS

1.1 EMPLOYMENT IS FREELY CHOSEN

Business partners shall not engage in any form of servitude, bonded, indentured, trafficked or non-voluntary labour, or any type of potential or actual forced labour as defined by ILO, such as - but not limited to - restriction of movement, retention of identity documents, or withholding of wages.

Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing and are to be explained verbally to workers in clear and understandable terms.

1.2 NO DISCRIMINATION

Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities.

Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organization, political affiliation or opinion, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination.

In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

1.3 NO EXPLOITATION OF CHILD LABOUR

There shall be no use of child labour both directly or indirectly (e.g. by use of subcontractors or daily workers). The age of admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years. There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour.

Business partners must establish suitable age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

SPECIAL PROTECTION OF YOUNG WORKERS:

Young workers between the age of 15 and 18 shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.

Business partners should ensure that their working hours do not impede their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access, young workers shall have to effective grievance mechanisms.

1.4 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

Business partners will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner. The workers have the right to negotiate as a group with their employer.

Business partners must not punish workers who express their opinions and wishes.

When the right to freedom and association and collective bargaining is restricted under law, business partners must not hinder other forms of collective bargaining and workers' organizations. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their role.

1.5 PAYMENT OF A LIVING WAGE

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and shall always be sufficient to meet basic needs of workers and their families and to provide some discretionary income.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

1.6 NO EXCESSIVE WORKING HOURS

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with resting breaks in every working day and at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed twelve hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

1.7 HEALTH AND SAFETY

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazard.

Business partners shall take all appropriate measures within their sphere of influence to ensure the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the worker's right to exit the premises from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners shall ensure access to drinking water and sanitary facilities, fire safety and personal protective equipment and adequate lighting & ventilation free of charge.

Business partners will treat each employee with dignity and respect. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Vulnerable individuals such as – but not limited to – young workers, new and expecting mothers and persons with disabilities shall receive special protection.

Business partners will also ensure that the same standards of health and safety are applied in any housing that they provide for employees.

1.8 LEGALLY-BINDING EMPLOYMENT RELATIONSHIP / NO PRECARIOUS EMPLOYMENT

Business partners shall ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers. Work is performed on the basis of a recognized and documented employment relationship, established in compliance with national legislation.

Before prior to employment, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes – but is not limited to – either apprenticeship schemes where there is no intent to impart skills or provide regular employment or seasonality or contingency work when used to undermine workers' protection or labour-only contracting.

Younger workers shall be given the opportunity to participate in education and training programs.

Furthermore the use of sub-contracting may not serve to undermine the rights of workers.

02 PROTECTION OF THE ENVIRONMENT

Our business partners must follow all environmental laws and regulations applicable in the country where they do business. Business partners must possess the required environmental permits and licences for their operations. Business partners must always adhere to the applicable standards and legal regulations concerning the treatment of chemicals or other hazardous substances, as well as their disposal. Our business partners are obligated to reduce emissions or negative impacts on the environment caused by production. We expect our business partners to act responsibly when it comes to preserving natural resources, and demand continuous improvement of environmental performance.

03 OTHER LAWS

Business partners fulfil all valid laws and regulations, including anti-corruption laws and anti-money laundering laws as well as those concerning the manufacture, price calculation, sale and delivery of products. All references to „valid laws and regulations“ in this Code of Conduct cover local and national legislation, regulations and directives, as well as applicable contracts and voluntary industry standards.

04 SUBCONTRACTORS

Business partners must not engage subcontractors for the manufacture of Takko merchandise or components thereof if the subcontractors have not signed this Code of Conduct and have been approved by Takko for production.

05 MONITORING AND COMPLIANCE

Business partners will authorize Takko Fashion and its designated agents (including third parties) to engage in monitoring activities to confirm compliance with this Code of Conduct, including unannounced on-site inspections of manufacturing facilities and accommodation provided by the employer, reviews of books and records relating to employment matters, and private interviews with employees. Business partners will retain all documentation that may be needed to demonstrate compliance with this Code of Conduct on site.

06 FAIR WEAR FOUNDATION AND ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

Before starting a business relationship with Takko Fashion, business partners have to guarantee their compliance with Fair Wear Foundation and the Accord on Fire and Building Safety in Bangladesh standards.

07 PUBLICATION

Business partners will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to employees, including the prominent posting of a copy of Fair Wear's Code of Labour Practices as well as the Worker information Sheet in the local language and in a place readily accessible to employees at all times.

Takko Holding GmbH and its team are looking forward to a good, close and long-term co-operation with your company.