

Benetton Group Code of Conduct

At Benetton Group, which includes Benetton Group S.p.A. and all the companies directly and indirectly owned by Benetton Group S.p.A., we are committed to promoting respect for human rights and the environment, as well as to improving the world trade in textiles and clothing, which we believe should be based on fair practice, equity and reciprocity.

We aim to put into practice the most relevant international legal framework, with special reference to the United Nations Guidelines on Business and Human Rights of June 2011 and to the European Commission Communication for a Renewed Strategy on Corporate Social Responsibility of October 2011. These imply full compliance with all applicable laws and regulations relating to International Labour Standards as embodied in ILO Core Conventions and the ILO Declaration on Fundamental Principles and Rights at Work of 1998, the legal framework on the protection of the environment and on the right to a safe and healthy environment, and also regulations on health and safety.

This Code of Conduct applies to all suppliers and subcontractors, as well as to anyone doing business with Benetton Group (hereinafter referred to as “BG Business Partners”), and we require BG Business Partners to share these commitments and undertake to abide by this Code of Conduct, which includes International Labour Standards, Environmental Provisions, Supply Chain Management Provisions and Compliance as follows:

A. INTERNATIONAL LABOUR STANDARDS AND A SAFE PLACE TO WORK

1. CHILD LABOUR

BG Business Partners shall not employ persons younger than 15 years or 14 years where national legislation so permits.

All legal limitations on the employment of children below the age of 18 must be applied, especially the minimum age of admission to work in hazardous activities.

2. FORCED LABOUR

BG Business Partners shall not use any forced, illegal or involuntary labour.

The concept of forced, illegal or involuntary labour includes: prison labour, indentured labour, bonded labour.

3. NON-DISCRIMINATION

BG Business Partners shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement.

This applies to all forms of discrimination including those based on race, caste, union, membership, colour, gender, sexual orientation, disease or disability, pregnancy, religion, age, political opinion, social or ethnic origin or nationality.

4. COERCION AND HARASSMENT

BG Business Partners shall treat workers with dignity and respect and shall ban any form of corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.

Managers and/or supervisors of BG Business Partners must never threaten the use of or practice any form of physical contact.

5. ASSOCIATION

BG Business Partners shall permit freedom of association, organization and collective bargaining in a lawful and peaceful manner.

All BG Business Partners' workers have the right to form or join associations or committees of their own choosing and to bargain collectively. Benetton Group shall not tolerate disciplinary or discriminatory actions from BG Business Partners against their workers who choose to peacefully and lawfully organize or join an association.

6. WORKERS' CONTRACTS

BG Business Partners' workers are entitled to a written employment contract, in the local language, stipulating their employment terms and conditions.

BG Business Partners have a responsibility to ensure that all their workers are aware of their legal rights and obligations.

7. WORKING HOURS

BG Business Partners shall comply with all applicable laws or with the collective bargain agreement applicable for the sector in question, if the latter affords greater protection for workers. The normal working week shall be defined by law and shall not, on a regular basis, exceed 48 hours. Personnel shall be given at least one day off in every seven day period.

Overtime work must always be voluntary and compensated in accordance with the law.

Overtime hours must not exceed the number permitted by the law of the country of employment. If such limits do not exist, overtime work should not exceed 12 hours per week.

8. REMUNERATION

BG Business Partners shall ensure that wages paid for a standard working period shall always satisfy as a minimum the basic statutory minimum wage, the prevailing industry wage or the wage negotiated in collective agreements. The wage shall be sufficient to meet at least the basic needs of workers, their families and any other reasonable additional needs. Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the worker.

All other types of legally mandated benefits and compensations shall be paid.

No unfair deductions are permitted and workers have the right to a written specification of how the wage has been calculated.

Workers shall be granted and properly compensated for any types of paid leave to which they are legally entitled, including annual leave, maternity/parental leave and sick leave.

9. MIGRANT WORKERS' RIGHTS

Migrant workers shall have exactly the same entitlements as local workers. Any commissions and other fees in connection with the employment of migrant workers must be covered by the employer.

The employer may require a worker to submit identification documents but shall not retain the documents. Lump sum payments by the employer and deposits by workers are not permitted.

10. HEALTH AND SAFETY

We require all BG's Business Partners to make workers' safety a priority at all times.

BG Business Partners shall provide a safe and healthy working environment ensuring a minimum reasonable access to potable water and sanitary facilities, adequate lighting and ventilation.

BG Business Partners shall take adequate steps to prevent accidents and injury to health, in relation to both the working environment and any workplace and premises they provide for their workers.

BG Business Partners shall ensure that the building and premises, where the activity is carried out by its workers, are suitable and appropriate to host productive activities, comply with applicable local law and regulations for its use and comply with the legal provisions on local construction regulations,

BG Business Partners shall provide their workers with protective equipment as required by applicable law and industry standards. BG Business Partners should inform workers about the health and safety risks of not wearing the required personal protective equipment (eye protection, hearing protection, respirator masks, face shields, gloves, aprons, foot protection, etc.).

BG Business Partners should supply workers who perform potentially hazardous work with proper and suitable personal protective equipment and require that it be worn.

No hazardous equipment may be used.

Emergency exits on all floors must be clearly marked, well lit and unblocked all the way out of the building.

Evacuation through emergency exits must always be possible during working hours. Everyone working on the premises must be regularly trained in how to act in case of fire or other emergency.

Appropriate first aid equipment must be available and where legally required a doctor or nurse should be available during working hours.

11. HOUSING CONDITIONS

If a BG Business Partner provides housing facilities for its workers, the above requirements regarding the premises of the workplace should also cover the dormitory. The housing facilities must be separated from the workplace.

No restrictions shall be applied which interfere with the worker's right to leave the housing facility during their free time.

12. RISK ASSESSMENT

BG Business Partners should have a procedure for identifying workplace hazards and assessing their risks.

Potential emergency situations and events are to be identified and assessed and their impact minimized by implementing emergency plans and response procedures.

Moreover, BG Business Partners shall include procedures for verifying the environmental and social impact of their operations on the whole of the local community.

13. REFERENCE TO NATIONAL LEGISLATION, CONVENTIONS AND AGREEMENTS

The provisions of this Code of Conduct only constitute minimum standards.

All references to "applicable laws and regulations" in this Code of Conduct shall include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards.

If this issue is covered by national regulations or any other applicable law or any other commitments undertaken or applicable, including collective bargaining agreements, the provision which offers greater protection for workers shall apply.

B. PROTECTION OF THE ENVIRONMENT

1. GENERAL PROVISIONS

A healthy environment is essential to human well-being. BG Business Partners shall comply with all applicable environmental laws and regulations as well as local industry standards if higher.

In all operations, BG Business Partners shall apply the precautionary principle as a general process of environmental due diligence. The general objective of all operations should be to prevent adverse environmental impacts, based on the precautionary principle, including the commitment to zero discharge of hazardous substances by 2020.

BG Business Partners must have the relevant environmental permits and licences for their operations.

Such permits shall be aimed at preventing soil, water and air pollution and shall be accompanied by relevant implementation procedures by BG Business Partners.

2. HANDLING CHEMICALS AND HAZARDOUS SUBSTANCES

Chemicals used must be in compliance with Benetton Group's chemical restrictions as referred to in its Technical Safety Specification document, as in force from time to time for the relevant production type. In particular, we require BG's Business Partners to use only APEO - free chemical formulations - as from June 2013 and to eliminate all PFC use by no later than 31 December 2015.

Chemical containers must be properly labeled and safely stored. A material safety data sheet must be available in the local language and the instructions in it must be followed.

3. WASTE MANAGEMENT

Any waste and in particular hazardous waste must be handled in a responsible manner and in accordance with relevant laws and regulations, whichever are stricter.

All emissions must be managed in a proper and transparent manner in accordance with the relevant laws and regulations, whichever are stricter.

4. WATER MANAGEMENT

Water is a scarce resource in many parts of the world and we believe it should be used as efficiently as possible. We ask BG's Business Partners to share this concern by paying the strictest attention to the management of water resources.

All outgoing wastewater from wet processes must be treated, before it is discharged, in accordance with local laws.

C. TRANSPARENCY

1. TRANSPARENCY AND CO-OPERATION

Benetton Group requires BG Business Partners to respect this Code of Conduct. Benetton Group also expects BG Business Partners to be transparent in the information they provide on their operations. Benetton Group believes in co-operation and it is willing to work with BG Business Partners to achieve sustainable solutions and to promote BG Business Partners who are in compliance.

BG's Business Partners will take appropriate steps to ensure that the provisions of the Code of Conduct are communicated to their workers, including the prominent posting of a copy of the Code of Conduct, in the local language and in a place readily accessible to workers, at all times.

D. SUPPLY CHAIN AND COMPLIANCE

1. SUPPLY CHAIN

BG Business Partners shall not use sub-contractors for the manufacture of (or of parts of) Benetton Group products without Benetton Group's prior written consent.

Business Partners shall ensure that sub-contractors abide by this Code of Conduct and sign a copy of the Code of Conduct.

2. MONITORING AND COMPLIANCE

Upon request by Benetton Group, BG Business Partners shall permit and provide (free of charge) all necessary assistance to Benetton Group and its designated agents (including third parties) to facilitate unrestricted access to all BG Groups' Business Partners and their sub-contractors' workplace and/or to all relevant records to verify compliance with this Code of Conduct, including but not limited to unannounced on-site inspections, records and correspondence, appropriate documentation and private interviews with workers.

BG Business Partners are required to keep Benetton Group informed at all times of where each product is being produced, including subcontracting and homeworking.

Relevant documentation must be maintained for auditing purposes.
